

# 2015

## Analysis of Impediments to Fair Housing Choice



COMMUNITY DEVELOPMENT  
**BUILDING  
GREAT**  
NEIGHBORHOODS!

City of Grand Rapids, Michigan  
Community Development Department



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## **EXECUTIVE SUMMARY**

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### **BACKGROUND**

The City of Grand Rapids Community Development Department conducted this Analysis of Impediments to Fair Housing Choice (AI). City staff and community agencies contributed to the study. To complete the study, the City conducted primary and secondary research, while drawing on the 2006 and 2010 Analysis of Impediments. Community Development Block Grant administration funds and the City of Grand Rapids General Operating Fund covered costs associated with preparation of the study.

### **OVERVIEW**

The Grand Rapids population is primarily White, with African Americans and Hispanics making up the largest minority groups. Over the last twenty years, the minority population increased significantly, with the greatest gain seen in the Hispanic population. The Grand Rapids Public Schools indicates 54 non-English languages were spoken by its students. The city is young, with over two thirds of the population under age 45. Average family size is small at about 3 people. Twelve percent (12%) of city residents have a disability; nearly 66% of these residents are under age 65.

Unemployment has risen since 1999, and rates are higher among African Americans and Hispanics than Whites. Median household income has increased 5%, and Whites and Asians earn the most. Regardless of educational attainment, men earn higher median income than women with widening gaps at the bachelor's and graduate degree levels. Poverty rates are highest among African Americans and Hispanic/Latinos as well as single-mother families. African Americans and Hispanics in Grand Rapids have less education, lower incomes, higher unemployment rates, and higher proportions of renters than Whites. They are also concentrated in areas of the center city.

Most housing in Grand Rapids is single-family detached and aging, with 37% built before World War II. Since 2004, 19% of all city homes have been foreclosed, with the largest concentration in the central city area. Data sources indicate overcrowding is not a problem; however, anecdotal stories from homeless service and shelter providers indicate that “doubling up” is a significant problem. Many owners and even more renters are cost burdened. It can be very difficult for low- and moderate-income people to find suitable affordable housing. Fair housing complaints occur more in rental than ownership circumstances and often allege familial status, race, and disability status discrimination.

## **IDENTIFIED IMPEDIMENTS TO FAIR HOUSING CHOICE**

The following impediments to fair housing choice were identified as a result of this study:

1. Enforcement of the Local Fair Housing Ordinance
2. Lack of Education and Awareness of Fair Housing Laws
3. Language Barriers for Non-English Speaking Populations
4. Systemic Barriers to Fair Housing Choice
5. Limited Supply of Accessible Housing
6. Funding for Fair Housing Activities

## **RECOMMENDATIONS TO ADDRESS IMPEDIMENTS**

The following recommendations are offered to address the identified impediments:

- Review the existing local Fair Housing Ordinance enforcement issue to determine if there is another legal method to enforce the intent of the ordinance.
- Develop different types of educational approaches to provide the most favorable outcomes, including continuing education on fair housing topics to industry professionals, a web-based “fair housing school,” printed materials, and other creative outreach methods for a variety of audiences.
- Use the City’s rental property registration program and/or other creative methods to identify new landlords and offer them fair housing training.
- Expand and target interpretation and translation services to real estate transactions where the renter or buyer is non-English speaking. Train interpreters in real estate and fair housing laws to ensure information is accurately exchanged between the parties to the transaction.
- Develop an outreach and education strategy targeting local lenders, coupled with a follow-up program of testing and enforcement, to enable minorities to gain greater access to conventional mortgages and reduce the use of subprime credit.
- Expand development of accessible housing through new construction and remodel.
- Sustain fair housing activities, and secure increased funding for education and outreach activities, and fair housing work outside the Community Development General Target Area (GTA). Advocate for change to the federal CDBG regulations so fair housing activities are not limited due to funding caps.

## **SECTION I. INTRODUCTION**

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### **WHY ASSESS FAIR HOUSING?**

The City of Grand Rapids is an entitlement community that receives federal funding directly from the U.S. Department of Housing and Urban Development (HUD) for housing and community development activities. HUD's Consolidated Plan regulation (24 CFR 91) requires the City to certify that it is affirmatively furthering fair housing, which means the City must:

1. Conduct an analysis to identify impediments to fair housing choice within the jurisdiction.
2. Take appropriate actions to overcome the effects of any impediments identified through the analysis.
3. Maintain records reflecting the analysis and actions taken in the regard.

Failure to comply with this or other regulatory requirements can jeopardize the City's participation in future federal Community Development Block Grant programs, resulting in the loss of funding for local fair housing and other important community development programs. HUD suggests the City update its Analysis of Impediments to Fair Housing Choice (AI) once every five years, consistent with the Consolidated Plan cycle.

### **LEGAL FRAMEWORK**

Federal, state, and local laws protect fair housing rights by prohibiting discrimination on the basis of certain characteristics. Enforcement of these laws is available through administrative procedures offered by HUD, or by individual action through federal district or state circuit courts, or by the Attorney General of the United States. The laws most directly affecting fair housing as defined for purposes of this analysis are:

- U.S. Civil Rights Act of 1968, Title VIII (known as the Fair Housing Act)
- U.S. Fair Housing Amendments Act of 1988
- State of Michigan Elliott Larsen Civil Rights Act (PA 453)
- State of Michigan Persons with Disabilities Civil Rights Act (PA 220)
- City of Grand Rapids Fair Housing Ordinance

It is illegal to discriminate against people in housing transactions (including the purchase, rental/lease, financing, advertising or insuring of residential property) based upon the characteristics identified in Table 1.1.



Table 1.1 Protected Classes	
Authority	Protected Classes
<b>Federal</b>	Race Color Religion Sex National origin Disability Familial status
<b>State</b>	Age Marital status
<b>City</b>	Source of lawful income Receipt of public assistance (e.g. Section 8) Sexual orientation

With regard to disability, Michigan's law sets an equivalent standard of accommodation to that of the federal Fair Housing Act. State and federal laws support the obligations of a housing provider to reasonably accommodate a person with a disability and to allow people with disabilities to make reasonable modifications to a dwelling. Fair housing law also makes it unlawful to discriminate when providing financial assistance or financing, or to use a discriminatory application form in connection with a housing transaction (including construction, rehabilitation, repair, maintenance or improvement of housing).

## COMMITMENT TO FAIR HOUSING

The City of Grand Rapids has codified its commitment to fair housing. Excerpted from the City Code, Chapter 160 Discrimination in Real Property Transactions:

### Sec. 9.362. Policy.

It is hereby declared to be the policy of the City of Grand Rapids, in the exercise of its police power for the protection of the public health, safety and general welfare, for the maintenance of business and good government, and for the promotion of the City's trade, commerce and manufacture, to assure equal opportunity to all persons to live in adequate housing facilities regardless of race, color, religion, ancestry or national origin, age, sex, marital status, familial status, handicapped status, source of lawful income, or public assistance recipient status, and to that end, prohibit discrimination in housing.

Excerpted from the City Code, Article 3. Community Relations Commission:

### Sec. 1.341. Statement of Public Policy and Finding of Necessity.

It is hereby declared to be contrary to the public policy of the City of Grand Rapids for any person to deny any other person the enjoyment of his or her civil rights or for any persons to discriminate against any other person in the exercise of his or her civil rights because of race, color, creed, national origin, ancestry, age, sex, marital status, disability, or gender orientation.

Sec. 1.347. Civil Rights Defined.

HOUSING - The opportunity to purchase, lease, sell, hold, use and convey dwelling housing or dwelling units without discrimination because of race, color, creed, national origin, ancestry, age, sex, marital status, familial status, disability, source of lawful income, public assistance recipient status or gender orientation is hereby recognized and declared to be a civil right. It shall not be a violation of this section for the owner of an owner-occupied one family or two family dwelling to restrict occupancy.

## RESEARCH METHODOLOGY

The following research methods were used in the preparation of this report.

**Secondary Research.** Researchers used the U.S. Decennial Census, U.S. Census Bureau American Community Surveys, U.S. Census Bureau Population Estimates Program, fair housing compliance data, the prior Analysis of Impediments, and various individual studies.

American Community Surveys began in 2005 as census supplements to provide more up-to-date information. They provide estimates rather than counts and are less accurate due to smaller sample size. The American Community Survey is used to obtain the best possible view of the current environment. In some cases, the U.S. Census Bureau's Population Estimates Program is used instead of the American Community Survey because it is the official estimate of population.

**Primary Research.** City staff drew upon focus group discussions and recommendations made in the City's Great Housing Strategies, which was a collaborative process that engaged the community in identifying strategies to promote a prosperous and equitable approach that meets current and future housing needs. City staff also met with local organizations including the Fair Housing Center of West Michigan, Disability Advocates of Kent County, and the City of Grand Rapids Development Center to understand laws and discuss barriers and recommended actions. City staff also analyzed newspaper and internet advertising to determine compliance with advertisement guidelines.

## SECTION II. BACKGROUND DATA

### INTRODUCTION

The city of Grand Rapids is located in the western lower peninsula of Michigan. During the 1990s, West Michigan grew faster (growth rate: 16%) than the remainder of Michigan (6%), and the remainder of the United States (13%). The areas of highest population growth were those surrounding the city of Grand Rapids, and in a southwest line from Grand Rapids to Holland, roughly following the I-196 highway. In 2013, the Grand Rapids – Wyoming Metropolitan Statistical Area (MSA), consisting of Barry, Kent, Montcalm, and Ottawa counties, had an estimated population of 998,916<sup>1</sup>.

**Map 2.1 Grand Rapids Vicinity, 2014**

*Source: Michigan Department of Transportation*



## POPULATION CHARACTERISTICS

Grand Rapids has experienced many of the same demographic changes as other communities in Michigan over the last several decades. During the last 30 years, the city, county, and state all saw the greatest population growth during the 1990s. From 1980 to 2000, the Grand Rapids population increased 8.8%. However, between 2000 and 2010 the population declined by nearly 5%.

<b>Table 2.1 Population Change</b>						
	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2013 Est.</b>	<b>% change 1980-2013</b>
<b>Grand Rapids</b>	181,876	188,334	197,801	188,040	189,735	4.32%
<b>Kent County</b>	444,504	500,636	574,335	602,622	609,544	37.13%
<b>Michigan</b>	9,262,078	9,295,297	9,938,444	9,883,640	9,886,095	6.74%
<b>Source: U.S. Census Bureau; U.S. Census Population Estimates Program; Michigan Department of Technology, Management &amp; Budget; State 1980 data: Library of Michigan History, Arts and Libraries</b>						

### AGE AND SEX

According to the 2013 American Community Survey, the population of Grand Rapids was relatively young with about 68% of the population under age 45, up from 61% in 2000. Notwithstanding this youthful trend, it is worth noting the U.S. population is aging. The United Way's ALICE Report found that Michigan is aging ahead of the national curve and will have a higher percentage of elderly before other states do.<sup>2</sup> Grand Valley State University's Community Research Institute (CRI) suggests the number of elderly in Kent County will double before 2035.<sup>3</sup>

The City's median age is 31. Children (0-19) composed 29% of the population; college-age young adults (20-24) composed 10%; adults (25-64) composed 50%; and elderly (65+) composed 11% of the population.<sup>4</sup>

Men (49%) and women (51%) are nearly evenly split among the population.<sup>5</sup>

### FAMILIAL / MARITAL STATUS / GENDER ORIENTATION

"Household" refers to all the people living in a housing unit. "Family" refers to a group of people living together who are related by birth, marriage, or adoption.

According to 2009 - 2013 American Community Survey estimates, 60% of the population over 15 years of age was not married. There were 72,760 households and 41,534 families in the city. The average household size was 2.5 and the average family size was 3.21. There were 20,589 families with related children under age 18. Of these families, 10,965 were married-couple families and 9,624 were single-parent families. According to estimates of unmarried-partner households, about 582 are comprised of same sex partners, representing about 0.8% of city households.

## RACE AND ETHNICITY

In the federal statistical system, race is a separate concept from ethnic origin. The main categories for race are:

- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or Other Pacific Islander
- White

People of Hispanic origin may be of any race. These standards became effective in October 1997.<sup>6</sup>

<b>Table 2.2</b>				
<b>Population and Race/Ethnicity</b>				
<b>Comparison of 2000 Census and 2009-2013 American Community Survey Estimates</b>				
	<b>2000 Census</b>		<b>2009 - 2013 ACS</b>	
White	133,116	67.2%	131,575	69.3%
Black or African American	40,373	20.4%	39,285	20.7%
American Indian	1,454	0.7%	882	0.5%
Asian	3,195	1.6%	3,604	1.9%
Pacific Islander	238	0.1%	21	0.0%
Some Other Race	13,115	6.6%	6,178	3.3%
Two or More Races	6,309	3.2%	8,190	4.3%
<b>Total</b>	<b>197,800</b>	<b>100%</b>	<b>189,735</b>	<b>100%</b>
Hispanic	25,983	13.1%	30,409	16.0%
<b>Source: U.S. Census Bureau 2000 Census, 2009-2013 5-Year American Community Survey</b>				

The largest minority populations within the city are Black/African American and Hispanic/Latino. Table 2.3 shows trends for the three largest groups in Grand Rapids and Kent County since 1970. The outward movement of the city's White population mostly occurred in the 1970s. Growth of the largest minority groups occurred at significant rates in both the urban center and outlying areas of the county.

<b>Table 2.3</b> <b>Grand Rapids Population by Major Racial/Ethnic Group</b> <b>1970-2013</b>							
Group	1970	1980	1990	2000	2010	2009-2013 Est.	% Change 1970-2013
<b>Grand Rapids</b>							
White	173,633	147,332	144,464	133,116	110,890	131,575	-24%
Black/African American	22,302	28,474	35,073	40,373	37,890	39,285	76%
Hispanic/Latino	2,910	5,729	9,394	25,818	29,261	30,409	945%
<b>Kent County</b>							
White	385,977	403,517	444,112	477,421	457,769	502,079	30%
Black/African American	23,065	31,453	40,314	51,287	56,372	58,532	154%
Hispanic/Latino	4,503	8,738	14,684	40,183	58,437	59,721	1226%
<b>Source: GR Community Development Department Summary 12/04; U.S. Census Bureau, Census, Population Estimates Program; 2010 Census Summary File 1, Table P9; 2009-2013 5-Year American Community Survey Table DP05</b>							

## NATIONAL ORIGIN

About 10% of the city's population was born outside the United States or its territories (19,095 people).<sup>7</sup> Foreign-born Grand Rapids Public School (GRPS) students came most frequently from Mexico, Guatemala, the Dominican Republic, and other Spanish-language countries. In recent years the district has had an influx of students from African countries such as Kenya, Somalia, and the Sudan. In the 2013-14 school year, 54 non-English languages were spoken by GRPS students. The primary language of 88% of these students was Spanish. The next three most common non-English languages were Vietnamese, Somali, and Arabic.<sup>8</sup>

According to estimates of city residents ages five and older, 10,685 Spanish-speaking people did not speak English very well, while 1,091 people speaking an Other Indo-European language, 1,236 people speaking an Asian/Pacific Island language, and 789 people speaking some Other language did not speak English very well.<sup>9</sup>

<b>Table 2.4</b> <b>Language Spoken at Home in Grand Rapids</b> <b>Population 5+ Years</b>		
	Number	Percent
English only	147,680	85%
Spanish	19,867	11%
Other Indo-European languages	3,400	2%
Asian and Pacific Islander languages	2,176	1%
Other languages	1,708	1%
<b>Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, Table DP02</b>		

## DISABILITY STATUS

The U.S. Census Bureau defines disability as a long-lasting sensory, physical, mental, or emotional condition(s) that makes it difficult for a person to do functional or participatory activities, such as seeing, hearing, walking, climbing stairs, learning, remembering, concentrating, dressing, bathing, going outside the home, or working at a job. In 2013, an estimated 12% (22,291) of Grand Rapids' non-institutionalized residents identify as having a disability. Of this population with a disability, nearly 66% (14,631) were under age 65, suggesting a market for accessible housing sized for families.

Among children under age 17, the most prevalent disability is cognitive (5% of children or 1,570 children). Among adults between 18 and 64, the most prevalent disabilities are ambulatory (5% or 6,450 people) and cognitive (5% or 6,154 people), and independent living (4% or 4,938 people). In adults 65 and over, the most prevalent disabilities are ambulatory (24% or 4,680 people), independent living (19% or 3,642 people), and hearing (16% or 3,066 people).<sup>10</sup>

<b>Table 2.5</b>			
<b>People with Disabilities in Grand Rapids</b>			
	<b>Under 18</b>	<b>18 to 64</b>	<b>65 and over</b>
% of Total Population	1%	7%	4%
% of Age Group	5%	10%	39%
% of Population with Disabilities	10%	56%	34%
<b>Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, Table S1810</b>			

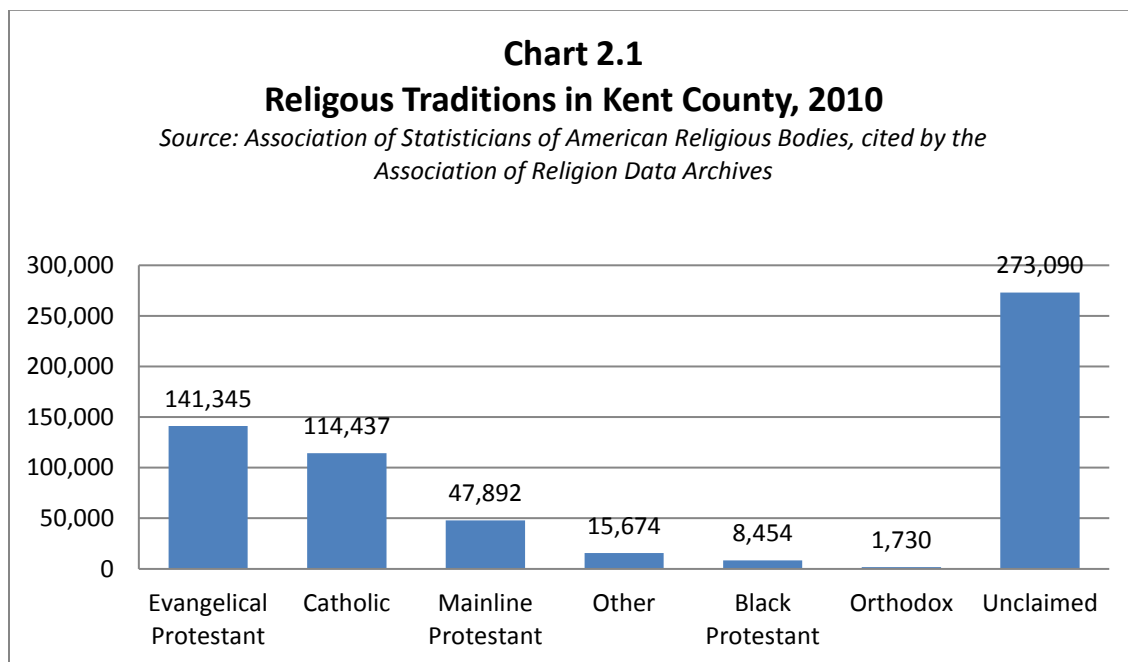
<b>Table 2.6</b>			
<b>People with Disabilities in Grand Rapids by Race/Ethnicity</b>			
	<b>Total</b>	<b>Number Disabled</b>	<b>Percent Disabled</b>
White alone	129,432	14,644	11%
Black/African American alone	38,617	5,962	15%
American Indian & Alaska Native alone	882	106	12%
Asian alone	3,604	219	6%
Native Hawaiian & Other Pacific Islander alone	21	18	86%
Some Other Race alone	6,178	445	7%
Two or More Races	8,117	897	11%
<b>Total</b>	<b>186,851</b>	<b>22,291</b>	<b>12%</b>
Hispanic/Latino	30,301	1,948	6%
<b>Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, Table S1810</b>			

## RELIGION

Public Law 94-521 prohibits the U.S. Census Bureau from asking questions about religious affiliation on a mandatory basis. Therefore, the Bureau of the Census is not the source for information on religion.

The Association of Statisticians of American Religious Bodies published the 2010 U.S. Religion Census: Religious Congregations & Membership Study, which included statistics for 236 religious groups.<sup>11</sup> Congregational "adherents" included all full members, their children, and others who regularly attend services. The data are limited because of incomplete counts of congregations and adherents belonging to the eight largest historically African American denominations.

In Grand Rapids, Christianity is the major religious group.



## SOURCE OF LAWFUL INCOME AND RECEIPT OF PUBLIC ASSISTANCE

The City of Grand Rapids' ordinance regarding discrimination in real property transactions (Title IX–Police Regulations, Chapter 160– Discrimination in Real Property Transactions, Sec. 9.362– Policy and 9.364–Discriminatory Practices) prohibits discrimination based on lawful source of income, which is defined as consistent income derived from wages, social security, supplemental security income, all forms of federal, state or local assistance payments or subsidies, Section 8 assistance, child support, alimony and public assistance which can be verified and substantiated.



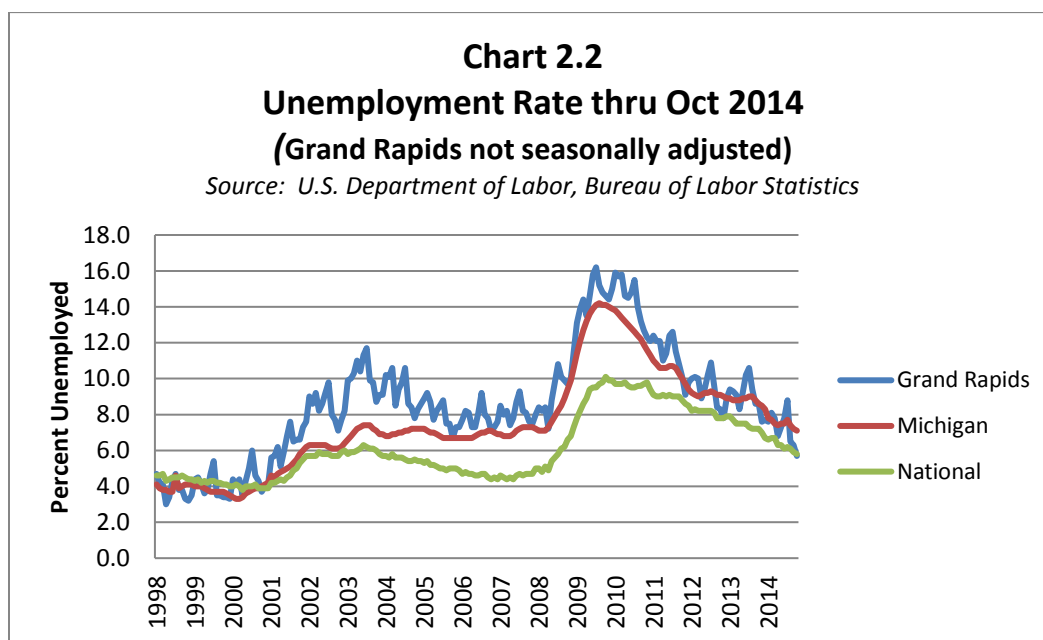
<b>Table 2.7</b> <b>Source of Household Income in Grand Rapids</b>		
<b>Source</b>	<b>Households</b>	<b>% of Households</b>
Earnings	55,660	76%
Social Security	19,100	26%
Food Stamp benefits in the past 12 months	18,074	25%
Retirement income	10,434	14%
Cash public assistance income	8,284	11%
Supplemental Security Income	5,550	8%
<b>Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, Table DP03</b>		

## ECONOMICS

Personal finances directly affect residents' ability to obtain housing, whether rental or homeownership. Both educational attainment and the job market are factors that influence financial security.

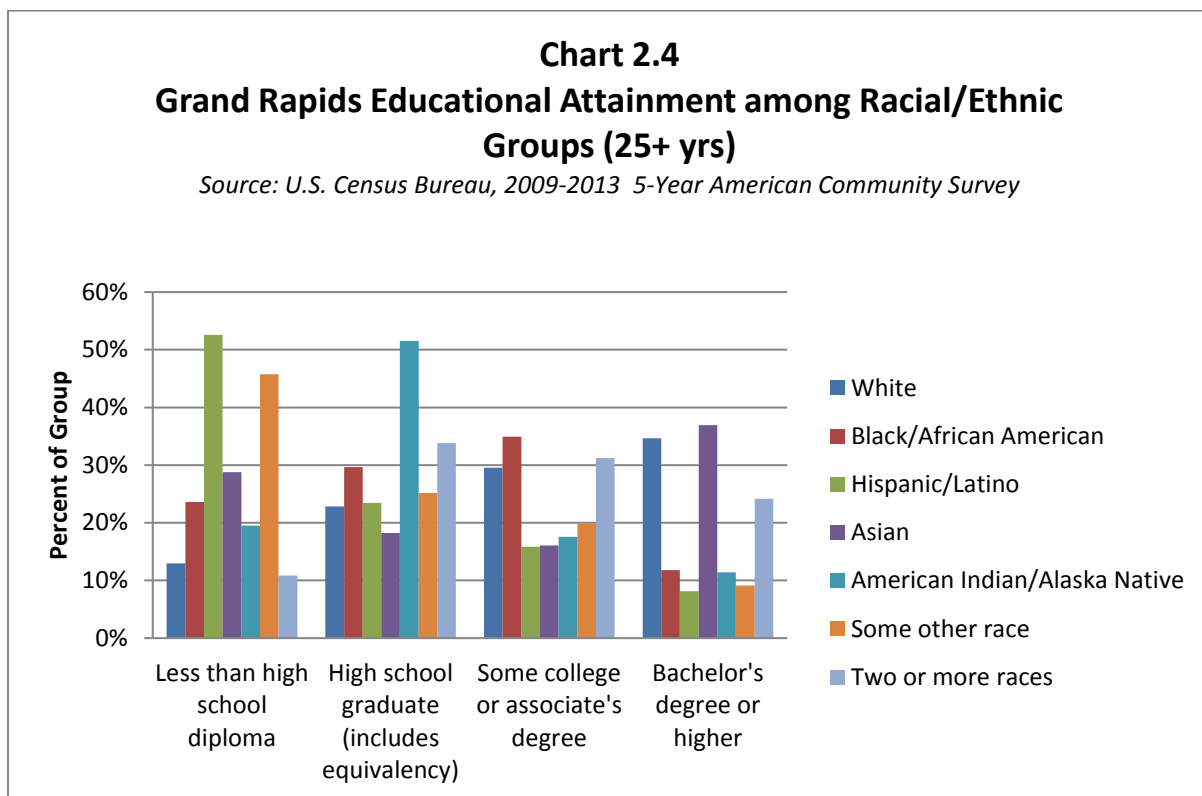
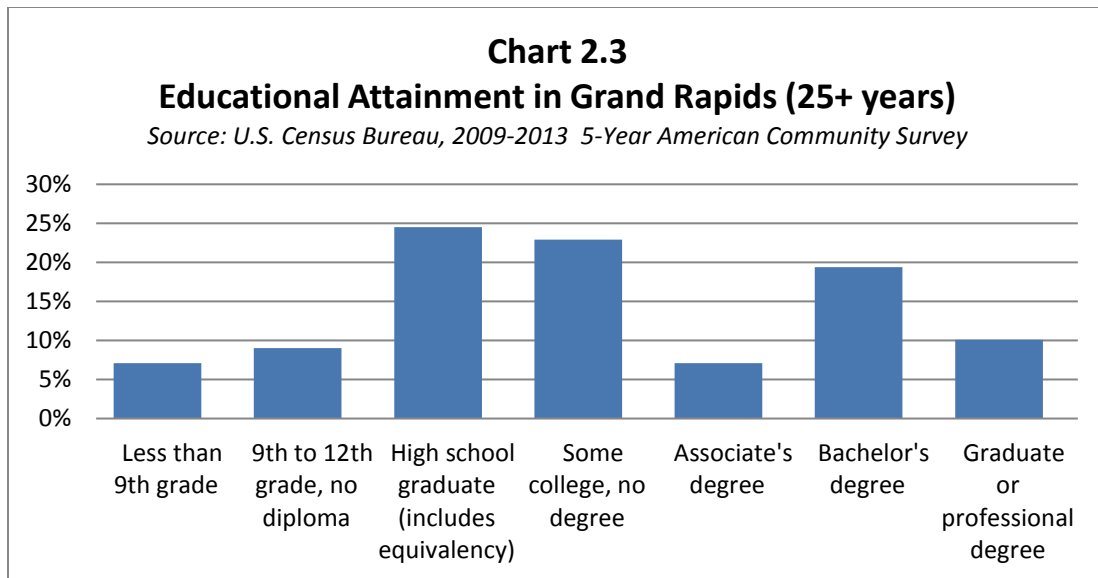
### CONTEXT

Michigan did not fully recover from the 2001 recession and endured a decade of economic hardship. The state's seasonally adjusted monthly unemployment rate consistently exceeded the national rate beginning in September 2000, with a wide distancing starting in 2003.<sup>12</sup> Michigan was the only state in the nation to lose population in the 2010 Census. This is widely attributed to the loss of jobs and out-migration.



### EDUCATIONAL ATTAINMENT

Educational attainment directly affects household finances. In 2013, an estimated 116,457 people were 25 years and over. About 30% had a bachelor's degree or higher. More Asians and Whites attained the highest levels of education than other races/ethnicities.

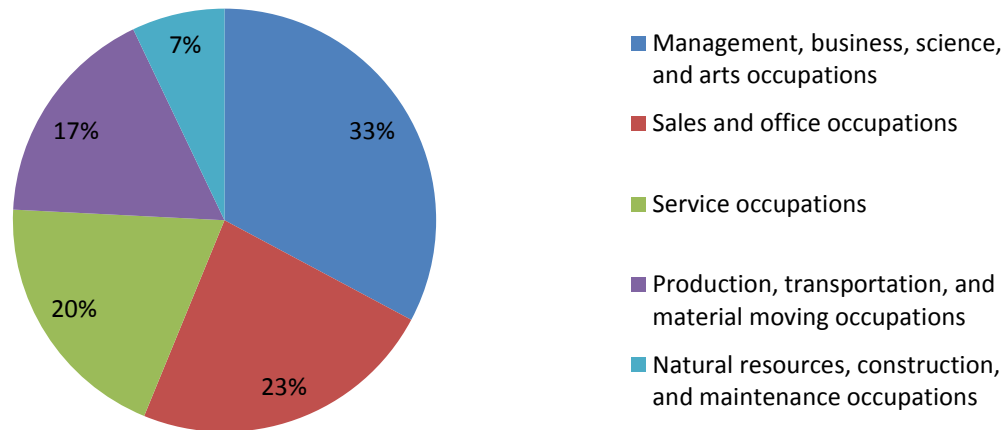


## LABOR MARKET

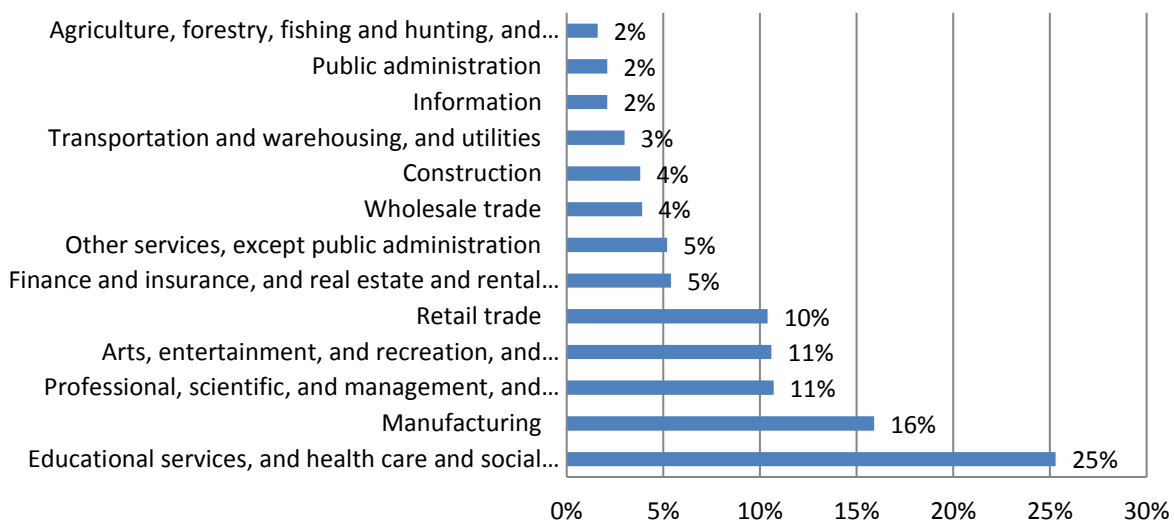
Private wage/salary workers make up the majority in the city (87%). The remaining workers are in government positions (8%) and self-employed (5%).<sup>13</sup> Many people continue to be employed in manufacturing. However, the region is investing in a knowledge-based economy. In recent

years, Grand Rapids has worked to diversify its economy by increasing jobs in health care and education, many of which require college education.

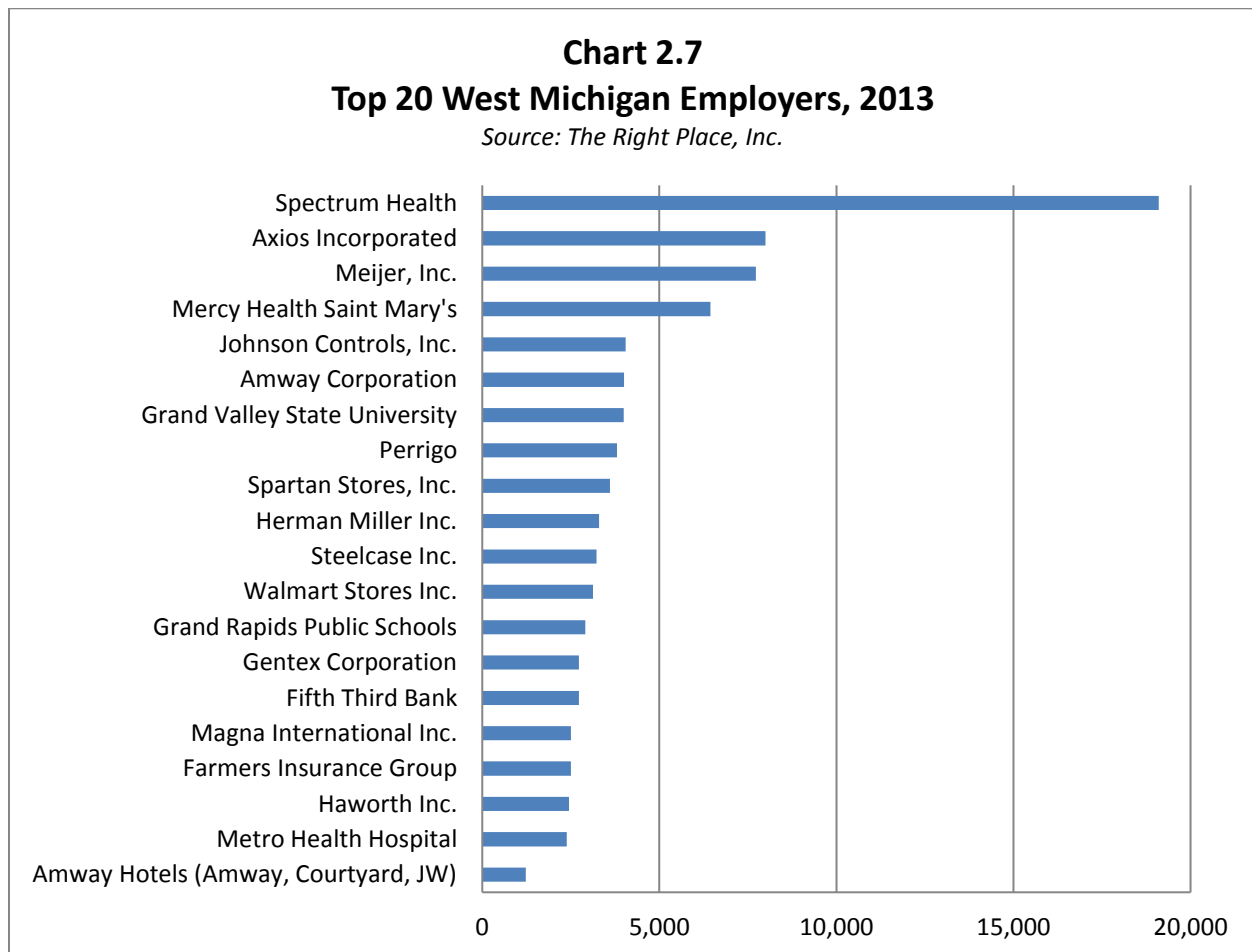
**Chart 2.5**  
**Occupational Employment in Grand Rapids**  
*Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey*



**Chart 2.6**  
**Civilian Employment by Industry in Grand Rapids**  
*Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey*



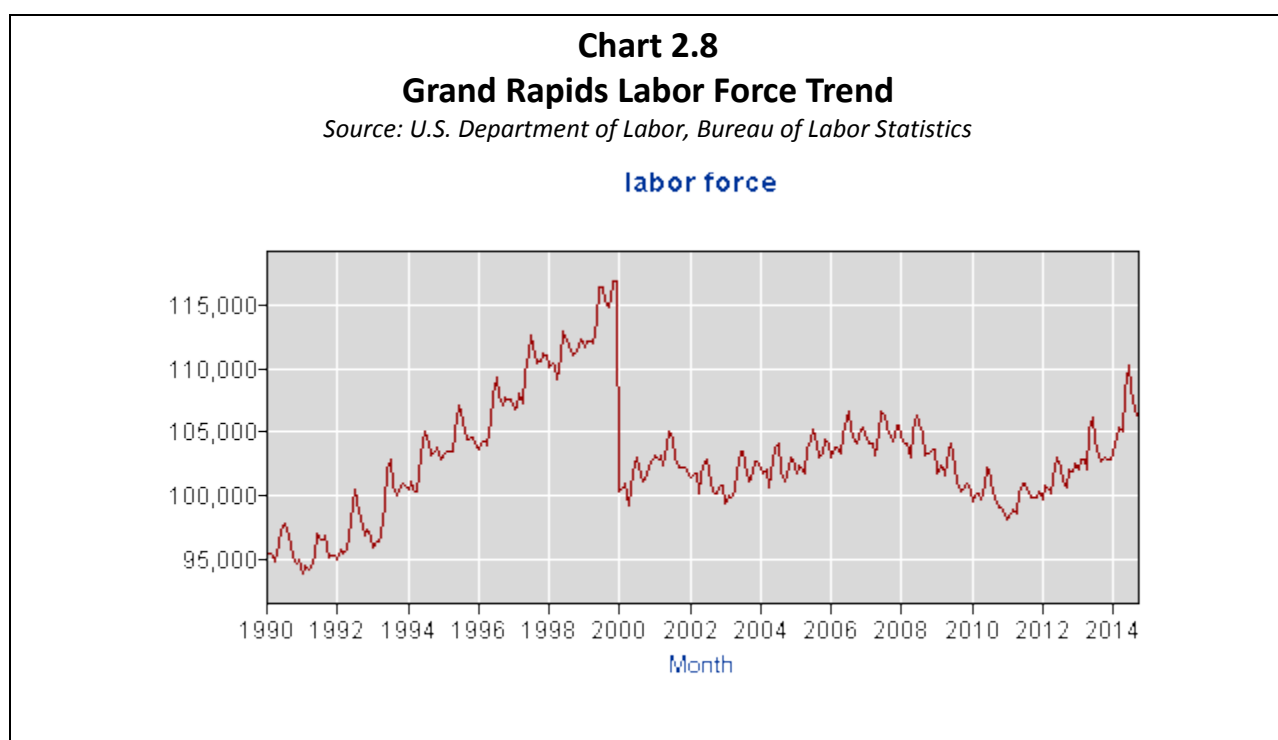
The largest employer in West Michigan is Spectrum Health, the largest health care system in West Michigan. Second largest is Axios, an employment placement agency. Third is Meijer, a regional grocery and general merchandise store headquartered a few miles from Grand Rapids. Fourth is Mercy Health Saint Mary's, an integrated health care network and general medical and surgical hospital. Fifth is Johnson Controls, an automotive seating and interior trim manufacturer.



## LABOR FORCE AND UNEMPLOYMENT

In 2013, an estimated 33% of the Grand Rapids population 16 years and over was not in the labor force.<sup>14</sup> Some people do not participate in the labor force for reasons including full-time school enrollment, not working in order to care for families, or being unable to find work. These people would not be included in the labor force counts because they are not looking for work.

The labor force is defined as those people who are working or looking for work. In 2013, the city of Grand Rapids had 103,363 people in the labor force (not seasonally adjusted).<sup>15</sup> That is nearly a 10% drop since 1999. Factors contributing to this decline may include population loss through out-migration due to lack of jobs, and people who are not counted in the labor force because they could not find jobs and have given up looking.

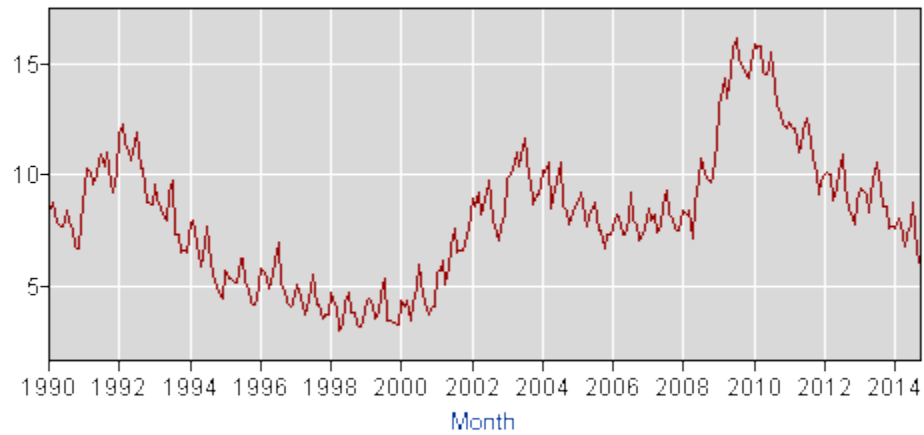


People are classified as unemployed if they do not have jobs, they have actively looked for work in the last four weeks, and they are currently available for work. In 2013, the city's unemployment rate was 9%. Fully 9,304 people in Grand Rapids were unemployed, which represented a 105% increase since 1999.<sup>16</sup> With the exception of Asians, estimated unemployment rates are higher for minority groups than for Whites. In the charts below, it should be noted that the estimated unemployment rate for Native Hawaiian/Other Pacific Islander is based upon three people.

**Chart 2.9**  
**Grand Rapids Unemployment Trend**

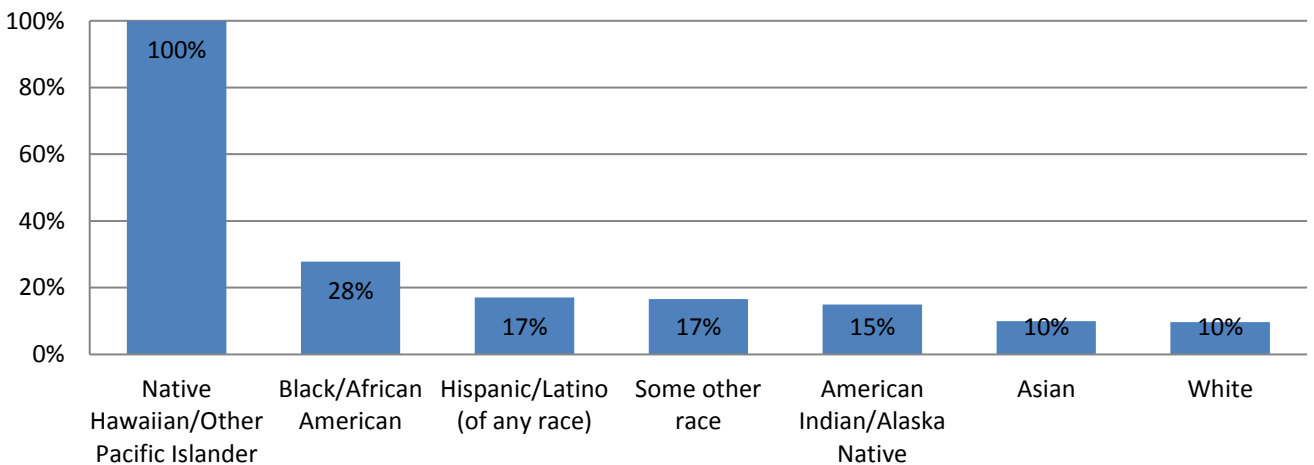
Source: U.S. Department of Labor, Bureau of Labor Statistics

unemployment rate



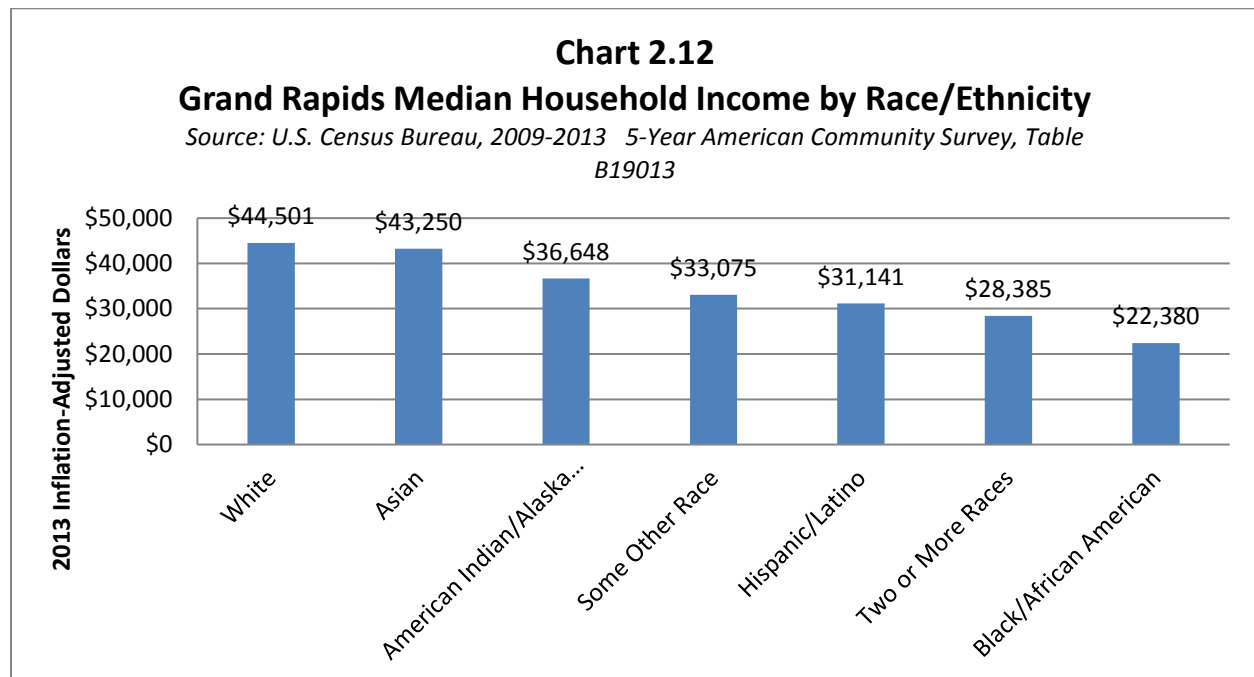
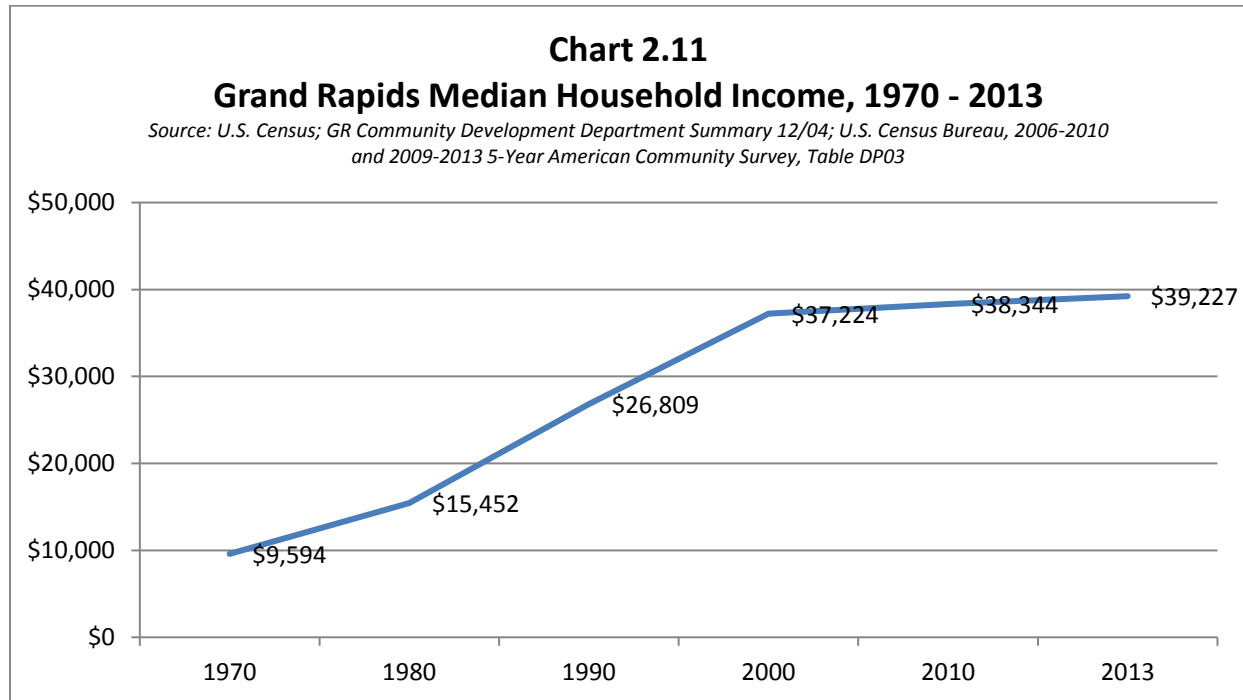
**Chart 2.10**  
**Unemployment Rate by Race/Ethnicity**  
**in Grand Rapids**

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, Table S2301



## INCOME

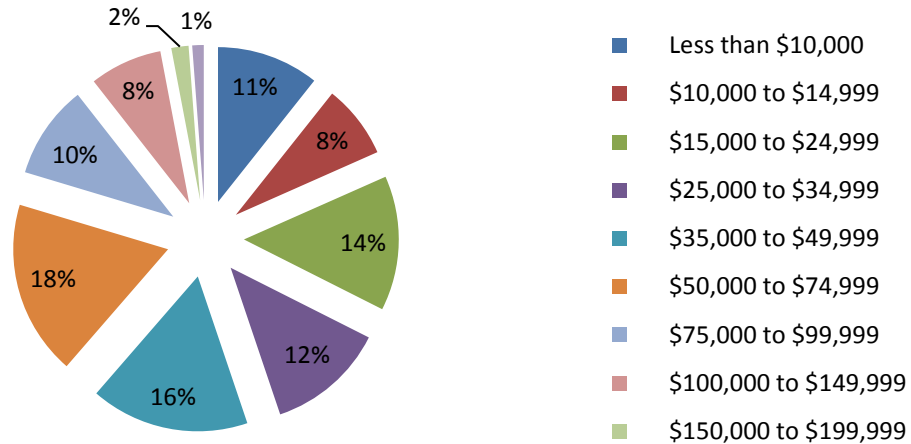
Between 1970 and 2013, Grand Rapids' median household income increased 309%. Whites had the highest median income, followed by Asians; Black/African Americans had the lowest.<sup>17</sup> Regardless of educational attainment, men earned higher median incomes than women.





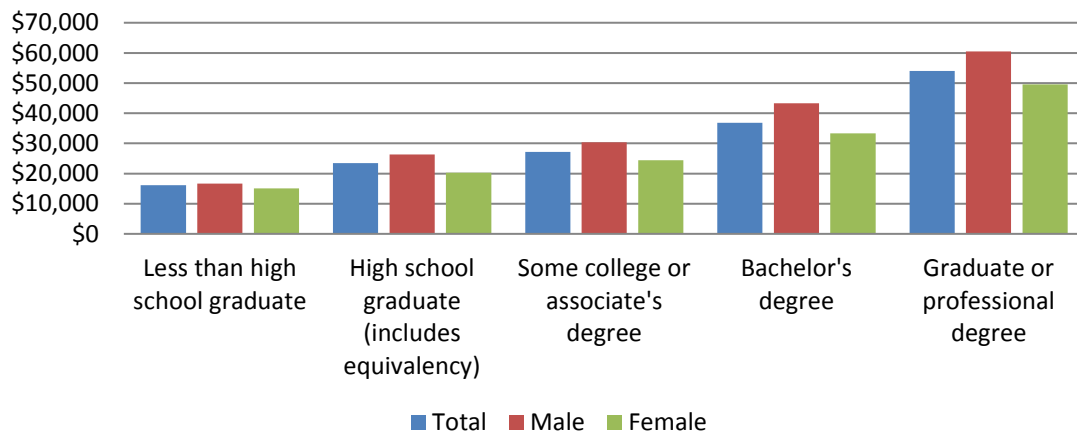
**Chart 2.13**  
**Household Income & Benefits in Grand Rapids**  
**(2013 inflation-adjusted dollars)**

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey,  
Table DP03



**Chart 2.14**  
**Effect of Education on Grand Rapids' Median Earnings**  
**(25+ years old, 2013 inflation-adjusted dollars)**

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey,  
Table B20004



## POVERTY

Poverty rates for families in the city fell during the 1990s, but rose during the first 13 years of the new century, correlating with the recession and rise in unemployment. People in poverty live closer to the edge of homelessness than those with greater financial security. They have less

income, and may have lower credit scores and depend upon various forms of public assistance, resulting in fewer housing choices. By 2013, 27% of all city residents and 39% of all children lived in poverty.<sup>18</sup> Fifty-five percent (55%) of single mothers raising children were estimated to be in poverty, compared to 14% of married couples with children. Black/African Americans had the highest proportion of people living in poverty. Lack of educational attainment was more serious for women than men, resulting in much higher levels of poverty, until women held bachelor's degrees.

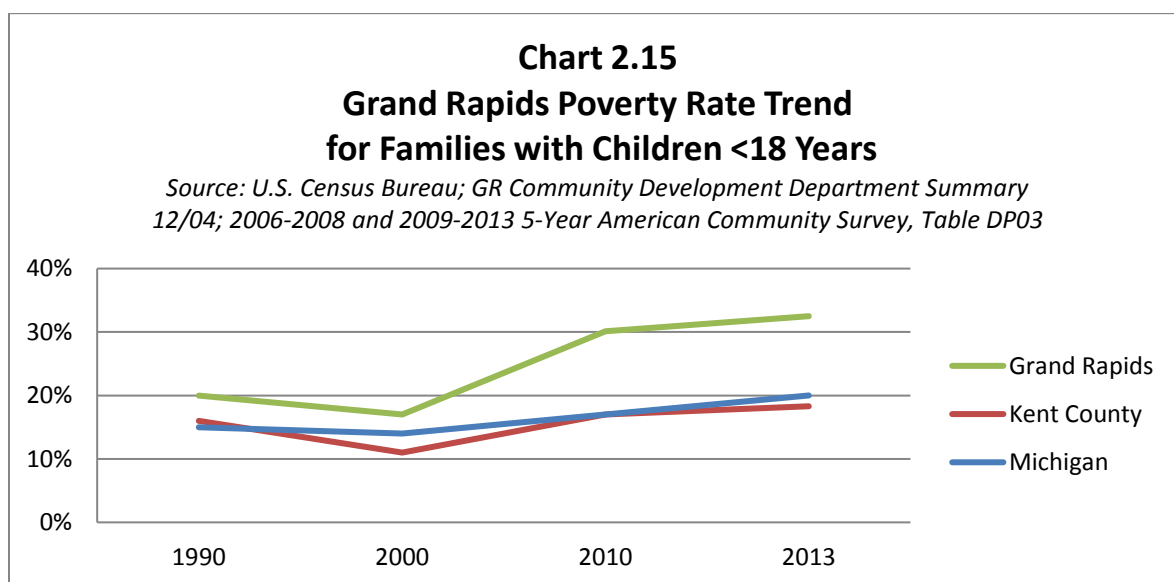
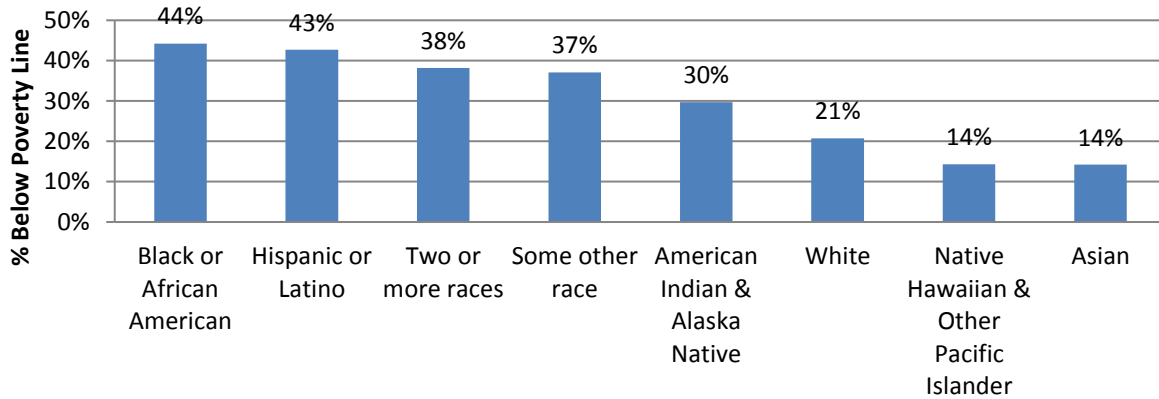


Table 2.8 Poverty Rates in Grand Rapids	
Family Type	Percent in Poverty
<b>All families</b>	<b>20%</b>
Families with related children under 18 years	33%
With related children under 5 years	26%
<b>Married couple families</b>	<b>8%</b>
With related children under 18 years	14%
With related children under 5 years	10%
<b>Families with female householder, no husband present</b>	<b>44%</b>
With related children under 18 years	55%
With related children under 5 years	56%
Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, DP03	

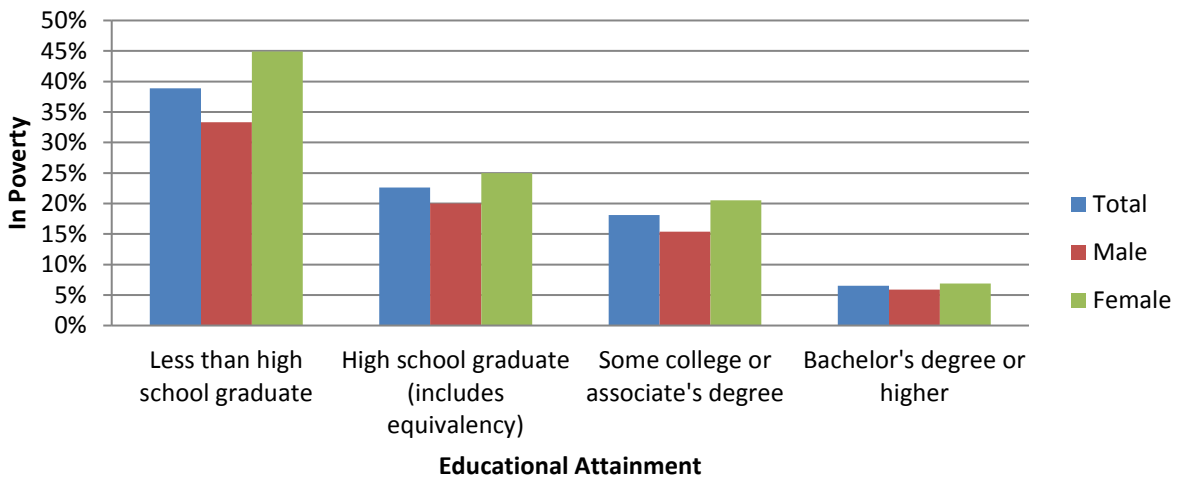
**Chart 2.16**  
**Poverty in Grand Rapids by Race/Ethnicity**

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, Table S1701



**Chart 2.17**  
**Effect of Education on Poverty in Grand Rapids (25+ years old)**

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, Table S1501



## HOUSING PROFILE

Grand Rapids is a city of neighborhoods encompassing about 45 square miles. Incorporated in 1850, the city is nearly built out. As development occurs, the city's 2002 Master Plan suggests that all city neighborhoods be constructed with a variety of housing types and price points to create affordable housing opportunities throughout the city and not have concentrated areas of low-income individuals.<sup>19</sup> Recommendations include providing a choice of neighborhood types (each with an expanded range of housing opportunities) and coordinating the location of higher density residential development and transit routes.

Currently, the majority of low- and moderate-income households live in the Community Development General Target Area (GTA). The GTA is comprised of roughly half the population and half the housing units in the city. Neighborhoods in the GTA were built prior to World War II and offer pedestrian-friendly, tree-lined streets, a mix of housing types and densities, and appealing architecture. Most have small blocks defined by a grid pattern and many have small business districts located on major streets. Medium density apartment buildings are often located at intersections of major streets, with duplexes providing a transition to single-family homes on small lots.

Outside the GTA, city neighborhoods present a more suburban feel with single-family homes built in lower densities on larger lots, and residential areas largely separated from commercial and institutional uses. Rental housing is typically found in newer rental complexes located apart from single-family homes.

### Map 2.2: Relationship of the General Target Area to the City Limits

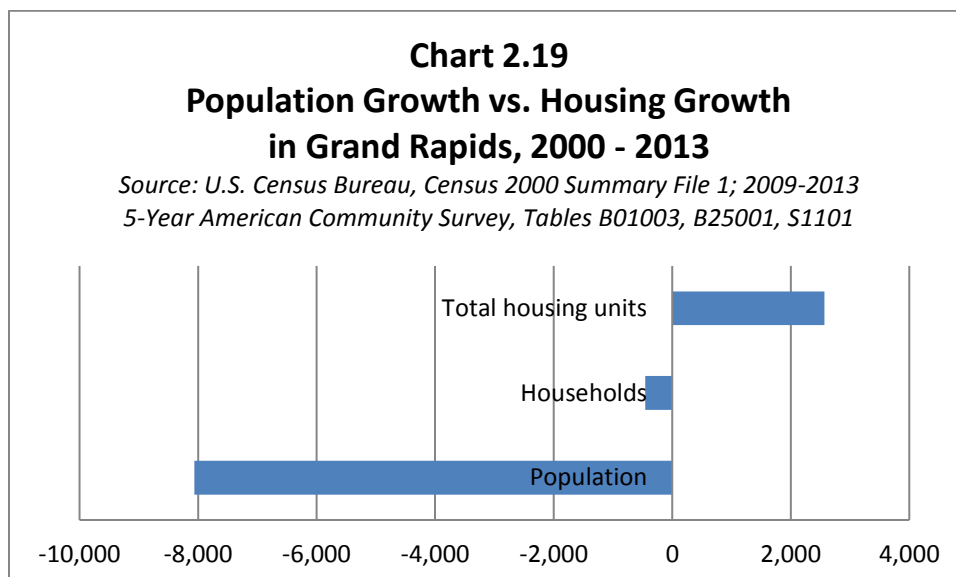
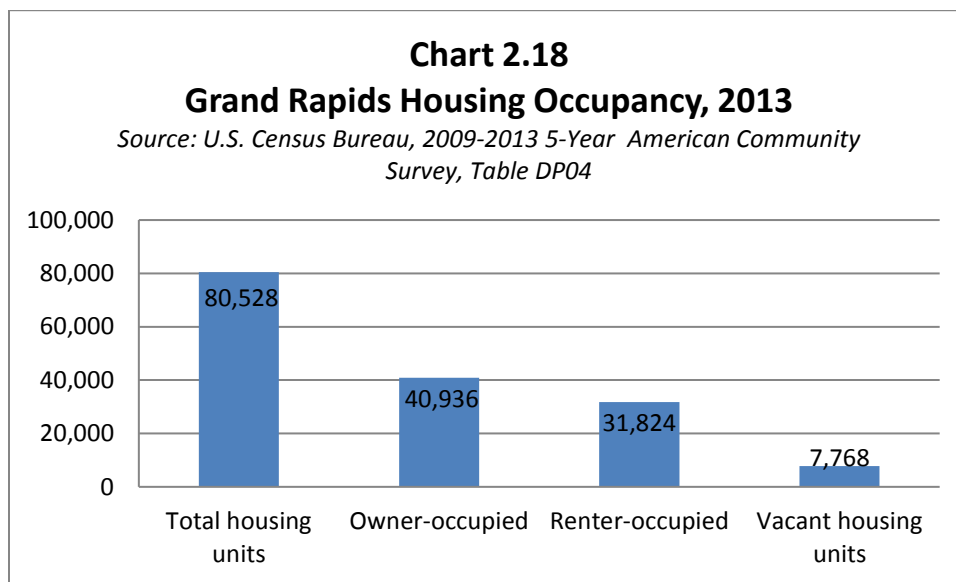
*Source: City of Grand Rapids Community Development Department*



## OCCUPIED AND VACANT HOUSING UNITS

During the 1990s, housing occupancy rates were fairly constant at about 56% owner-occupied, 38% renter, and 6% vacant. However, between 2000 and 2013, these proportions shifted. Owner-occupied dropped from 56% to 51%, renter-occupied rose from 38% to 40%, and vacant units rose from 6% to 10%. Overall, the estimated number of occupied units fell from 94% to 90%.<sup>20</sup>

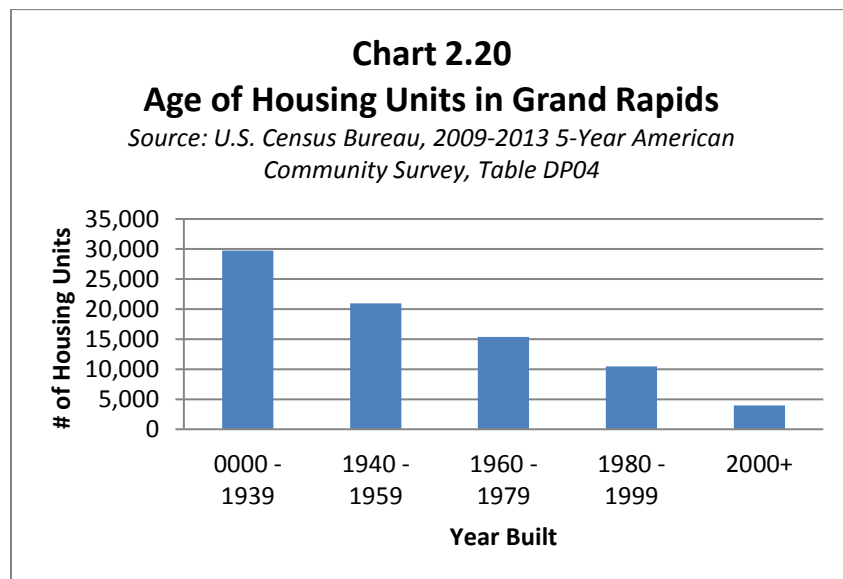
During the 1990s, the population, households and housing units increased. However, from 2000 to 2013, population and households declined while the number of housing units continued to grow. Population loss is consistent with statewide trends,<sup>21</sup> which are widely attributed to the lack of employment and out-migration.

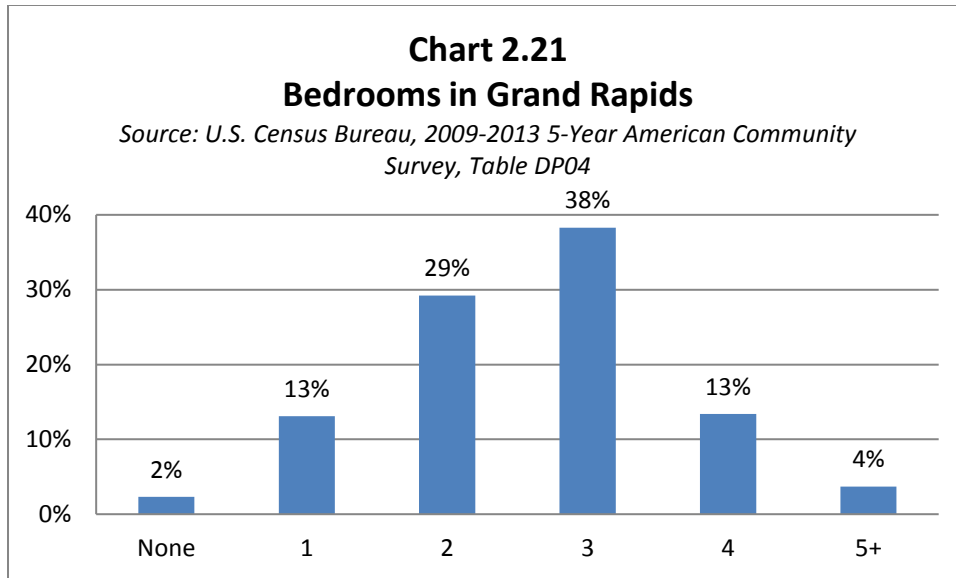


The combination of population loss, higher number of housing units, and higher vacancies created a very soft housing market during the first decade of the 21<sup>st</sup> Century, which was made especially difficult by the rising numbers of foreclosures. During the peak of the housing crisis the Grand Rapids area had an average of 13.3 months-worth of homes for sale (inventory). Presently, the housing market is in a recovery with increasing numbers of sales and prices. In 2013, there was only an average of 3.4 months of inventory and average sales prices were nearly at 2004 levels.<sup>22</sup>

## HOUSING CONDITIONS

Housing stock in the city is relatively old. Eighty-two percent (82%) of Grand Rapids housing units were built before 1980. The majority (59%) of homes are detached, single family units. Nearly 2% of Grand Rapids' occupied units are overcrowded (1,268) and nearly 1% are severely overcrowded (494). Anecdotal stories from homeless service and shelter providers indicate that “doubling up” is a significant problem. Nearly 1% of occupied units lack complete plumbing (544), and nearly 2% lack complete kitchens (1,252).<sup>23</sup> Between July 1, 2013 and June 30, 2014 in the General Target Area alone, the City's Code Compliance Division continued or initiated 5,928 housing code violation cases.<sup>24</sup>





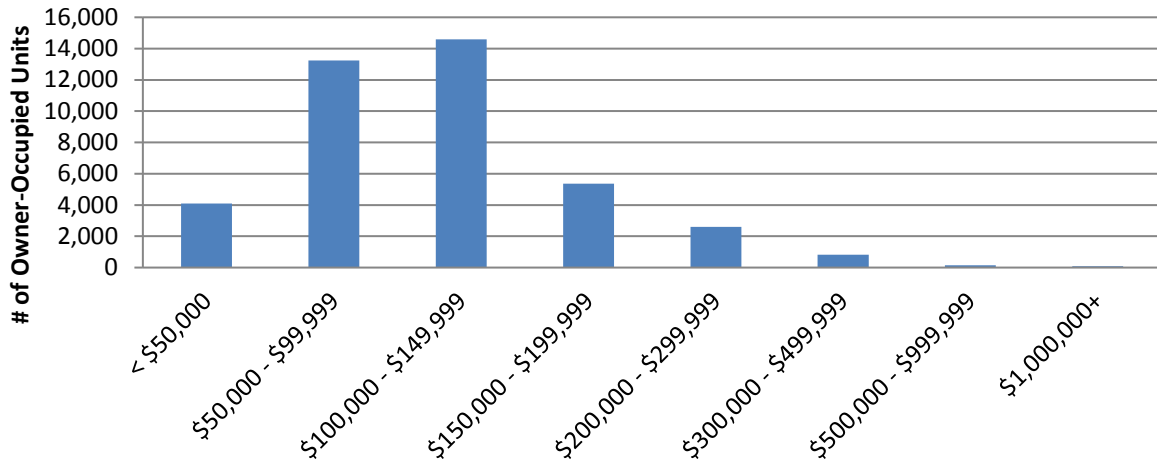
## **COST OF HOUSING**

Housing costs are generally the largest expense of most households and are, therefore, an important factor in housing choice throughout a region. The average sales price in the greater Grand Rapids area in 2013 was \$151,373, up 41% since the low in 2009.<sup>25</sup> (The greater Grand Rapids area includes Kent County, Ionia County, Georgetown and Jamestown Townships in southeastern Ottawa County, the 6 townships in northeastern Allegan County, and the northern half of Barry County including all of Gun Lake).

The city of Grand Rapids' estimated median home value in 2013 was \$109,400, down 13% since 2008. Grand Rapids estimated median gross rent in 2013 was \$758, up 9% since 2008.<sup>26</sup>

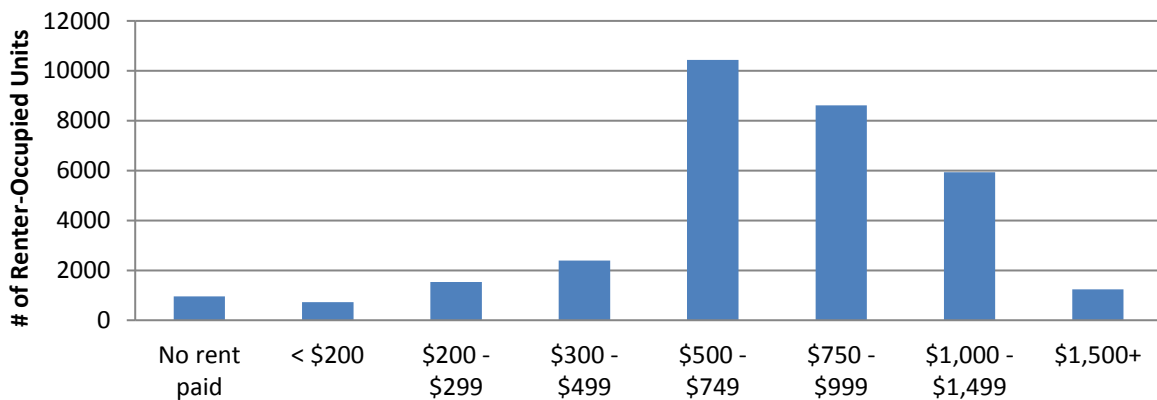
**Chart 2.22**  
**Grand Rapids Housing Values**

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, Table DP04



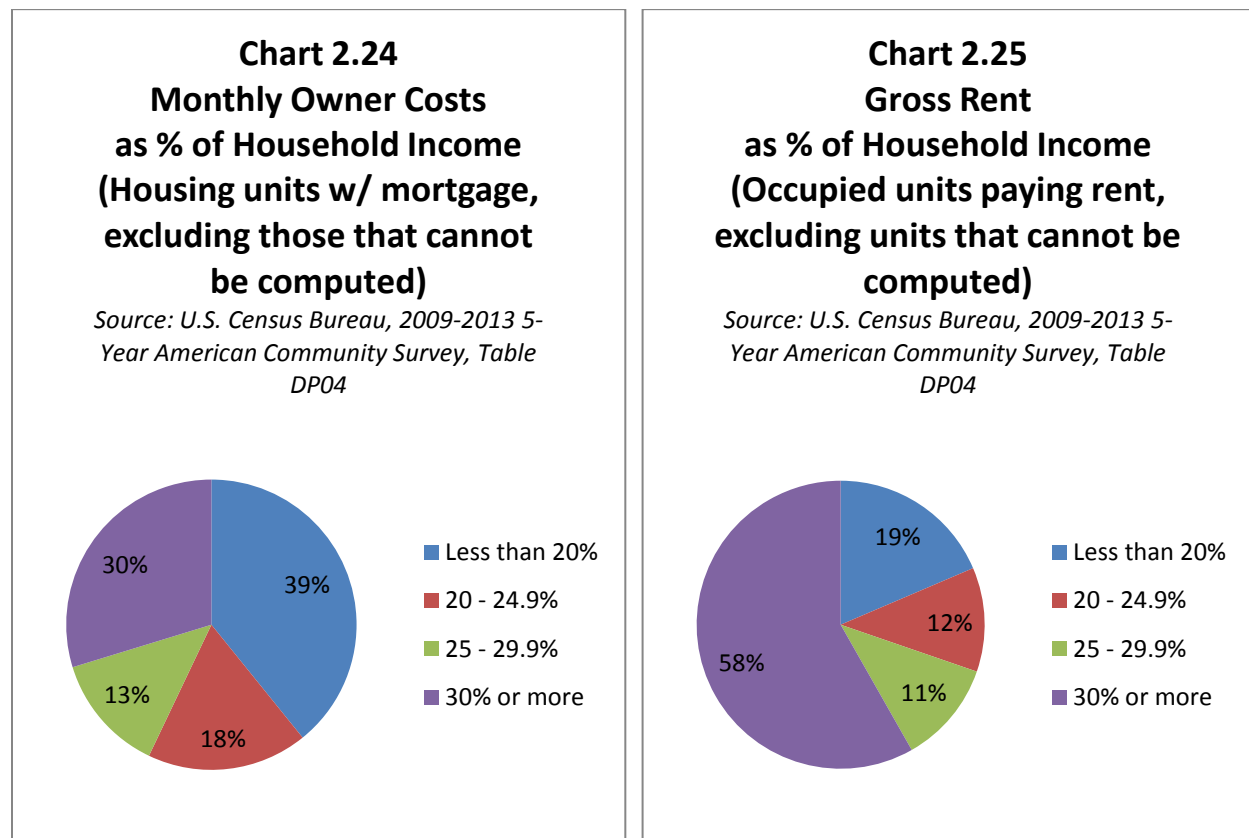
**Chart 2.23**  
**Grand Rapids Gross Rents**

Source: U.S. Census Bureau, 2009-2014 5-Year American Community Survey, Table DP04



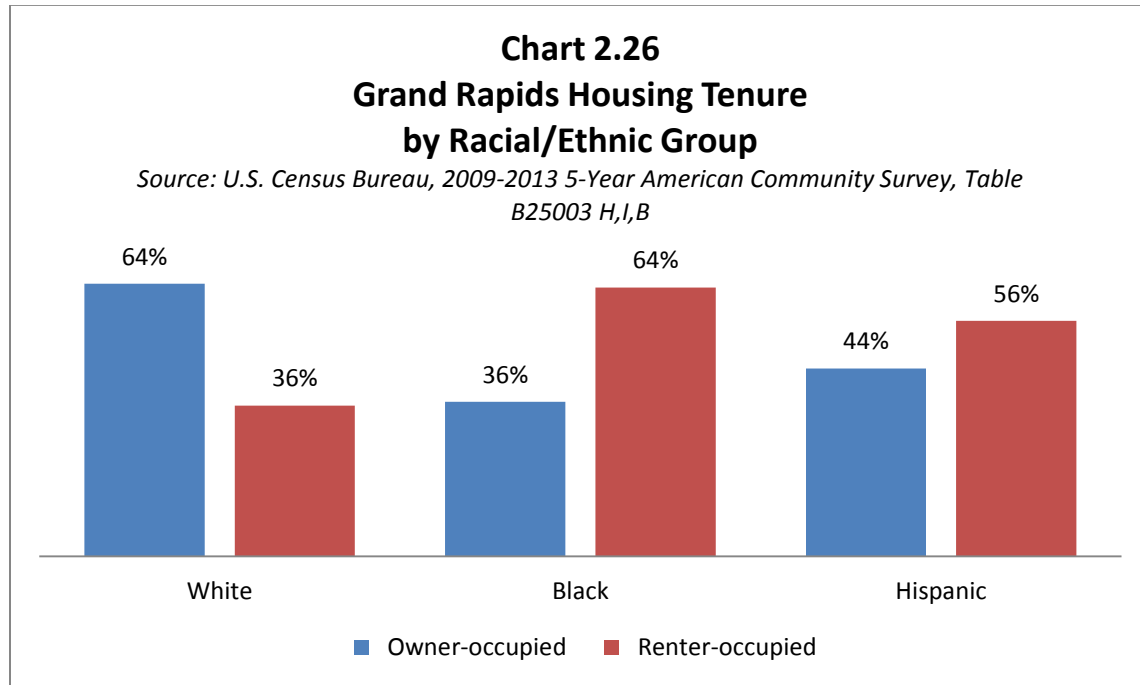


According to HUD, families paying more than 30% of their income for housing are considered “cost burdened” and may have difficulty affording other necessities such as food, clothing, transportation and medical care. Although the Grand Rapids-Wyoming MSA has long been considered an affordable place to buy a home for median income earners,<sup>27</sup> a significant number of low-income people in Grand Rapids are cost burdened. The following two charts demonstrate that renters (58%) are more severely affected by high housing costs than owners (30%). (Gross rent means monthly payment plus utilities paid by the renter.)



## RACIAL/ETHNIC HOUSING PATTERNS

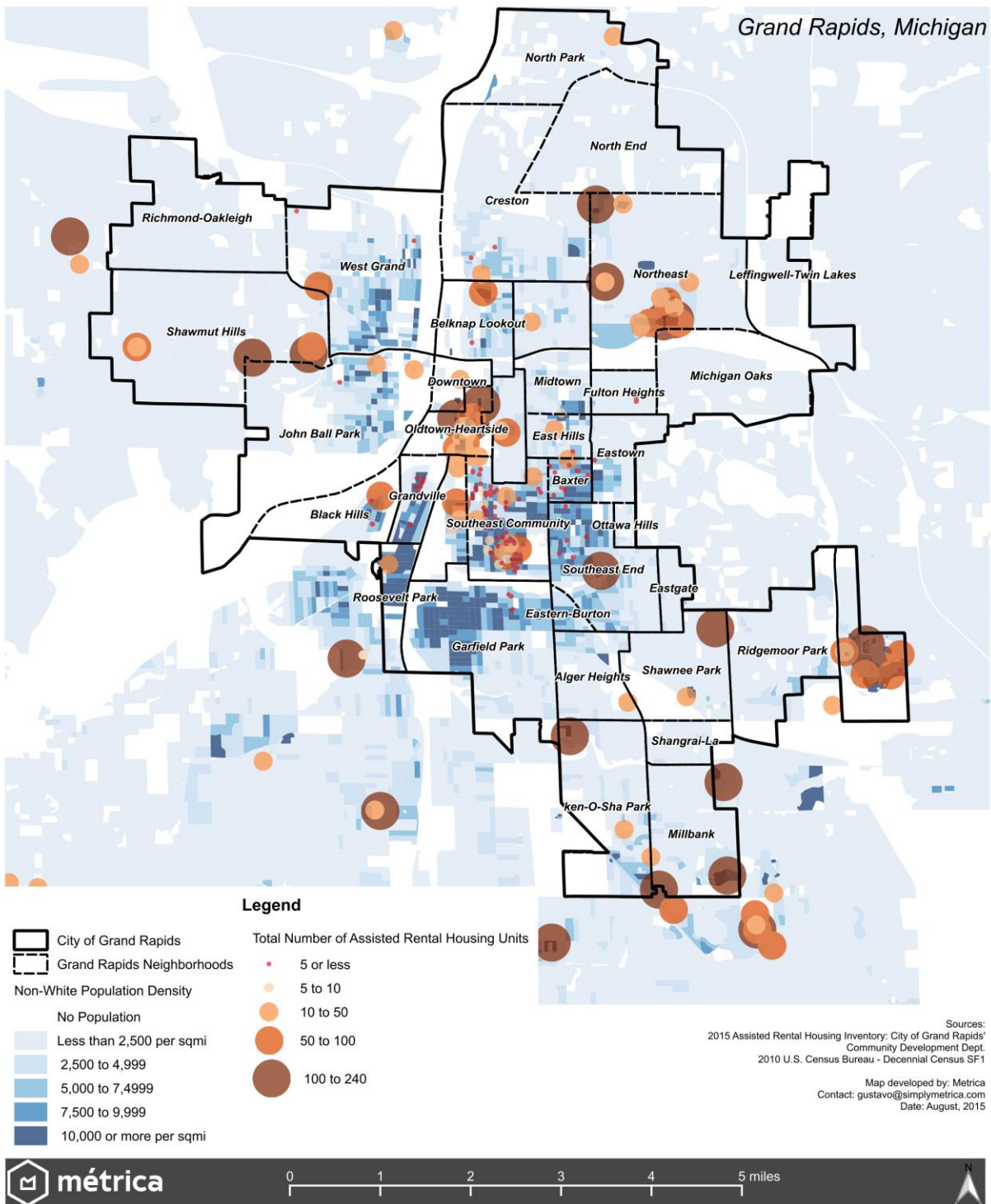
Chart 2.26 details the extent to which Blacks/African Americans and Hispanics/Latinos are more likely to be renters than Whites.



Map 2.3 below shows the density of minority populations in the city and immediate vicinity. In Grand Rapids, minority populations tend to be concentrated in the central city area, which is more or less the area of the GTA, where most of the city's low- and moderate-income households live. This housing typically predates World War II and sells for less than newer housing on larger lots in the outer areas of the city and suburbs. It also has ready access to public transportation. The map also shows the location of assisted rental units.

## Map 2.3 Non-White Population Density & Concentration of Assisted Rental Housing Units

Source: City of Grand Rapids 2015 Assisted Rental Housing Inventory; U.S. Census Bureau, 2010 Census, SF1.



## **PUBLIC/AFFORDABLE HOUSING PROGRAMS**

Public/affordable housing and housing assistance must be accessible to qualified households regardless of race/ethnicity, disability, or other special characteristics. If such housing is concentrated in one area of a community or region, a household seeking affordable housing is restricted to choices within a limited geographic area.

The dominant issue faced by public housing residents and holders of Housing Choice Vouchers (HCVs) is the increasing difficulty of voucher holders to find a suitable unit with good access to employment and services. Although median rents throughout the county have risen by about 20 percent since 2012, HUD fair market rents (FMRs) have remained between \$730 and \$750/month for a 2-bedroom unit since 2010, and are currently at \$737. These rents effectively determine the upper limits that can be charged by property owners for units rented to the holder of an HCV. Rents available in the countywide market have increased very rapidly, and the gap between HUD FMRs and market rents is growing. This has created problems for low-income households seeking units that will accept a HUD-subsidized voucher for rent assistance because property owners are able to get higher rents in the open market and do not have an incentive to rent to those with rent assistance. While the HUD-proposed FMR for 2016 increases to \$767 for a 2-bedroom unit, this 4 percent increase may not be enough to motivate property owners and managers to expand acceptance of rental assistance vouchers and ease the scarcity of participating units.

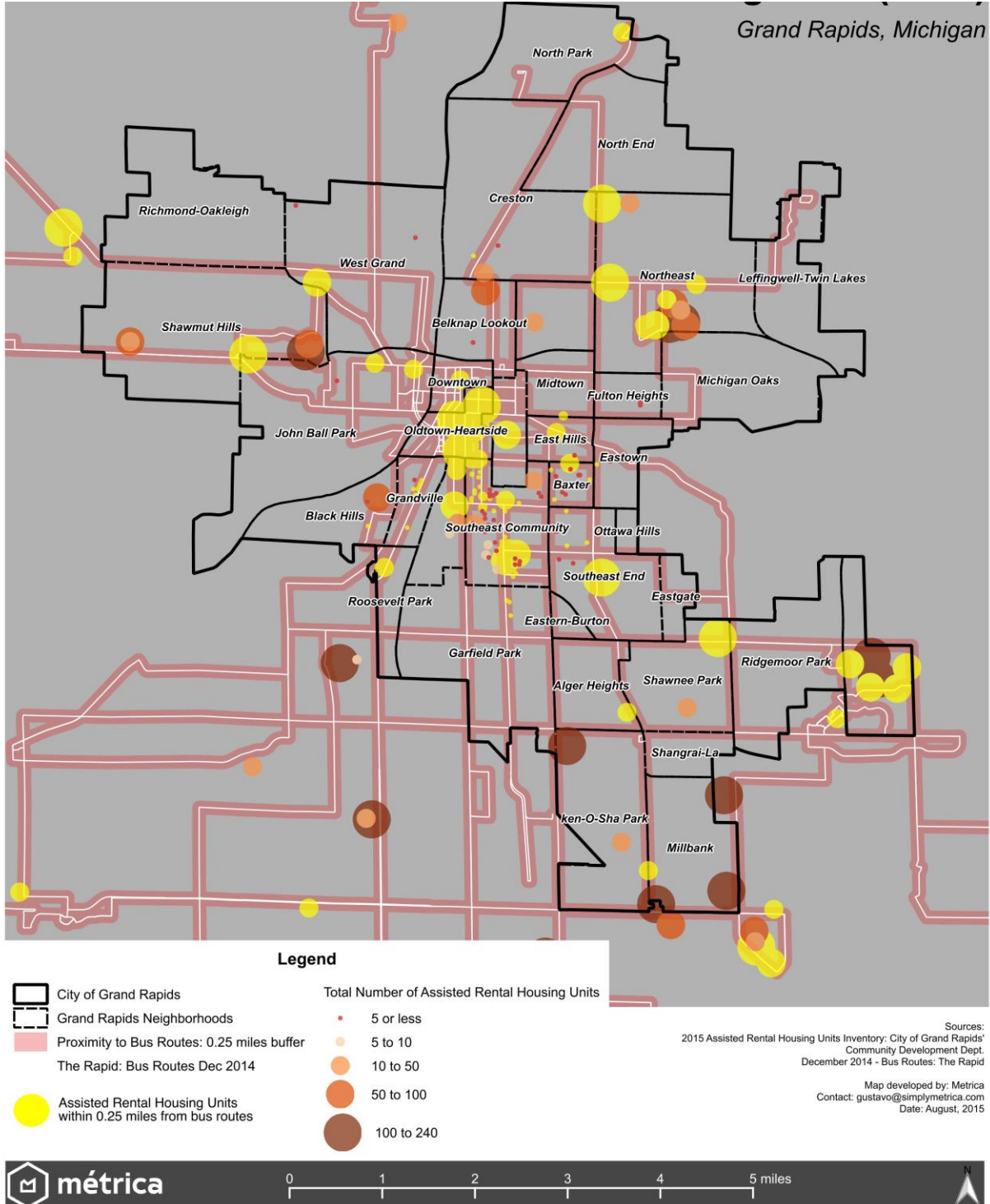
The limited supply of units available at the fair market rent restricts housing choices for families to particular locations, notably areas of poverty/minority concentration. Although single- and multi-family assisted units are found in all areas of the city, a concentration can be found in the Heartside neighborhood along South Division Avenue.

In the Grand Rapids area, supportive housing services are provided or coordinated by Kent County and the State of Michigan. The Grand Rapids Area Coalition to End Homelessness has a Permanent Supportive Housing subcommittee to address housing needs for targeted populations, including people with disabilities. During federal fiscal year 2014, 776 permanent supportive housing units were available in the community for homeless individuals and families.

The following Map 2.4 shows the locations of assisted housing developments in relation to public transportation routes.

## Map 2.4: Bus Routes & Concentration of Assisted Rental Housing Units

Data Source: City of Grand Rapids 2015 Assisted Rental Housing Units Inventory; The Rapid Dec. 2014 Bus Routes



## **GRAND RAPIDS HOUSING COMMISSION**

While a number of nonprofit organizations provide affordable housing in the city, the Grand Rapids Housing Commission (GRHC) is the local public housing authority (PHA) and the largest landlord with affordable housing properties. The GRHC owns and operates 950 units and administers a Housing Choice Voucher program with 3,190 units.

The Housing Commission was established in 1966 as a special purpose body authorized to purchase, acquire, construct, maintain, operate, improve, repair or extend housing facilities and eliminate adverse housing conditions. Funded primarily by HUD, the GRHC is independently administered and governed by a five-member board appointed by the City Manager and approved by the City Commission. The GRHC serves lower-income residents through a diverse portfolio of housing programs. The GRHC's policies and procedures are consistent with the requirements of federal, state, and local laws and HUD's regulations and guidance.

**Certifications and Oversight.** The GRHC's Public Housing management team is certified by the National Association of Housing and Redevelopment Officials (NAHRO). Certification includes ongoing instruction and testing. Periodic reviews of management and operations are performed by HUD, the Michigan State Housing Development Authority (MSHDA), insurers, investors, and private mortgage companies. Although the City of Grand Rapids does not evaluate the Housing Commission's performance, it is informed by HUD of any concerns in annual evaluations such as the Section 8 Management Assessment Program (SEMAP) or the Public Housing Assessment System (PHAS) scores. The Housing Commission meets annually to determine a strategic plan based on outcomes and industry standards that are identified as high performance targets by government agencies.

**Fair Housing Policy.** It is the policy of the GRHC to fully comply with all federal, state and local nondiscrimination laws; the Americans with Disabilities Act; and HUD's regulations governing Fair Housing and Equal Opportunity. No person shall, on the grounds of race, color, sex, religion, national or ethnic origin, familial status, disability, or source of income be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the GRHC's program. Staff regularly attends fair housing training.

To further its commitment to full compliance with applicable Civil Rights laws, the GRHC provides federal/state/local information to applicants/tenants of its housing programs regarding discrimination and any recourse available to them if they believe they may be victims of discrimination. All applicable Fair Housing Information and Discrimination Complaint Forms are available at the GRHC office. In addition, all written information and advertisements contain the appropriate Equal Opportunity language and logo.

The GRHC will assist any family that believes they have suffered illegal discrimination by providing them with copies of the appropriate housing discrimination forms. The GRHC will also assist them in completing the forms if requested, and will provide them with the address of the nearest HUD office of Fair Housing and Equal Opportunity.

**Housing Inventory.** The GRHC was created to serve extremely low- and low-income renters in GRHC-owned developments. With the advent of the Section 8 program, the GRHC

expanded its services to include both project-based and tenant-based rent assistance. Households aided by the Housing Commission include the elderly, disabled, and families. The following chart summarizes the GRHC's inventory of assisted housing. As of early 2015, the Housing Commission managed 949 housing units in nine developments, 102 Certificates, and 3,190 Housing Choice Vouchers.

<b>Grand Rapids Housing Commission 2015 Assisted Housing Inventory</b>				
<b>Development</b>	<b>Units</b>	<b>Income Level Targeted</b>	<b>Family Type</b>	<b>Waiting List #s</b>
<b>Public Housing</b>				
Adams Park Apartments	188	Low & Moderate	Elderly & Disabled	3,237
Campau Commons Apts.	92	Low & Moderate	Families	9,374
Scattered Sites	42	Low & Moderate	Families	
<b>Subtotal</b>	<b>322</b>			<b>12,611</b>
<b>Other Developments</b>				
Creston Plaza Apartments	100	Extremely Low & Very Low	Families	754
Hope Community Housing	24	Extremely Low & Low	Homeless Families	NA
Leonard Terrace Apartments	125	Extremely Low & Low	Elderly (55 yrs +)	331
Mount Mercy Apartments – I	125	Extremely Low & Low	Elderly (55 yrs +)	541
Mount Mercy Apartments – II	55	Extremely Low & Low	Elderly (55 yrs +)	
Ransom Tower Apartments	153	Low & Moderate	Elderly (62 yrs +)	83
Sheldon Apartments	45	Extremely Low & Low	Elderly (55 yrs +)	731
<b>Subtotal</b>	<b>627</b>			<b>2,440</b>
<b>Privately-Owned Developments (number of project-based units)</b>				
Heron Court*	33	Extremely Low & Low	Disabled	1,330
Heron Manor Apartments*	22	Extremely Low & Low	Elderly w/ disabilities	449
Oroiquis Apartments*	27	Extremely Low & Low	Disabled	1,094
<b>Subtotal</b>	<b>82</b>			<b>2,873</b>
Housing Choice Vouchers	3,290	Extremely Low & Low	Families, Elderly & Disabled	3,563
<b>Subtotal</b>	<b>3,290</b>			<b>3563</b>
<b>Certificates – Privately-Owned Calumet &amp; Verne Barry Apts.</b>	102	Extremely Low & Low		N/A
<b>Subtotal</b>	<b>102</b>			
<b>Total</b>	<b>4,423</b>			<b>21,487</b>
<b>Source: Grand Rapids Housing Commission</b>				

\* These units are included in the total number of units for each of these privately-owned housing developments and should not be “double-counted” as assisted units.

**Resident Involvement in Management.** To encourage resident participation in management, the GRHC formed a Resident Advisory Board, comprised of residents representing the various housing sites as well as voucher holders. The Resident Advisory Board reviews policies and activities of the GRHC and makes suggestions for future initiatives. In addition, individual housing developments offer opportunities for development of resident associations, crime prevention teams, and resident initiatives such as the operation of food pantries, social events and life skills curricula.

**Family Self Sufficiency.** The Family Self Sufficiency (FSS) Program gives Low-Income Public Housing residents and Housing Choice Voucher Program participants the opportunity to accrue funds when new employment or a change in employment increases household income and the amount of rent a family pays. The GRHC deposits the difference between a participating household's base and adjusted rents in an escrow account to benefit the family. Families that successfully complete the FSS program receive the funds from their escrow accounts, and many use their funds toward the purchase of a home (see the homeownership programs below). As of early 2015, 381 participants are enrolled in the FSS program.

**Section 5(h) Homeownership Program and Section 32 Homeownership Program.** The Housing Commission's Section 5(h) Homeownership Program operates in conjunction with its Scattered Site Public Housing development program. Through the two programs to date, the GRHC has built or substantially rehabilitated 150 single-family homes, then has leased these homes to qualified low-income families. Leaseholders have the option to purchase the property they occupy. Thus far, 127 leaseholders have exercised their option to purchase a home. The Commission will continue to administer this program. The GRHC uses proceeds from the sale of these homes to support additional affordable housing opportunities.

The Housing Commission has developed a new Section 32 Homeownership Program through which new single-family homes will become available to low-income families. The Commission has acquired 24 buildable lots. To date, three (3) houses are available for sale.

**Section 8 Homeownership Program.** The Housing Commission intends to continue implementation of the Section 8 Homeownership Program. Under this program, qualified low-income families are able to apply their Housing Choice Voucher assistance towards the purchase of a home. Since the inception of the program in 2000, 54 clients have become homeowners.

**Delivery of Resident Services.** The majority of Housing Commission Public Housing residents have supportive housing needs. To assist these residents, the GRHC Resident Services Program provides case management professionals who are available to assist residents of senior/disabled and family housing developments operated by the Housing Commission. In addition to providing direct services to residents, the Housing Commission partners with local educational, social service, and faith-based organizations to bring residents a broad array of supportive programs and services. During the next five years, the Housing Commission intends to improve its residents' access to services that support economic opportunity and increased quality of life. Through an agreement with Network180, the consortium for mental health and substance abuse services, the Commission has been able to provide permanent housing for



chronically homeless, hard- to-house clients. Network180 also works with the Housing Commission to fund one additional case management position specializing in mental health disorders and Peer Support Specialists with a focus on substance use prevention. Over four years, 89% of clients maintained permanent housing for twelve months or more as a result of this initiative.

**Delivery of Maintenance.** The GRHC Maintenance Policy prioritizes activities in the following order: emergencies, annual inspections, urgent requests, unit turnover, and standard work orders. Placing planned maintenance and vacancy preparation work ahead of resident work requests emphasizes the importance of performing scheduled routine and preventive work first in order to decrease on-demand work and maintain the property in a manner that will keep and attract good tenants. The GRHC is committed to controlling lead-based paint hazards in all its dwellings, especially family dwellings constructed before 1978. If any hazards are discovered, the Housing Commission will develop a plan to abate the hazard. The GRHC will contract for maintenance services when it is in the best interest of the Housing Commission to do so.

The GRHC will ensure that there are sufficient clear procedures in place to allow staff to implement the maintenance policy. All procedures will include the local housing and fire codes, HUD Housing Quality Standards, and Public Housing Assessment System (PHAS) standards. Nothing in the documents listed above will prevent the Housing Commission from setting a standard that is higher than that contained in the documents.

**Application Process.** Applications are taken to compile a waiting list. The Housing Commission uses an easy on-line application system, which serves as a central intake for all its programs. Internet access is available free of charge through the libraries. People who lack internet skills can find assistance to apply on-line at The Salvation Army or at any of its housing developments. Paper applications are also available. People can apply for their choice of any or all of the Housing Commission's programs/facilities through this process. Persons with disabilities who require a reasonable accommodation in completing an application may call the GRHC to make special arrangements. A Telecommunication Device for the Deaf (TDD) is available.

The application process for Public Housing and Tax Credit properties is available on an ongoing basis, while access to the Housing Choice Voucher program waiting list is limited to brief periods when applications are low. During the most recent Housing Choice Voucher application period, internet access and phone banks provided the community ease in submitting applications. During this application process, people could also indicate if they were interested in other Housing Commission programs, without jeopardizing their status on any other list. Applications were accepted from families outside the jurisdiction, but preference was given to residents of Kent County, Michigan.

The application process involves two phases. The first phase is the initial application for housing assistance (or the pre-application) and results in the family's placement on the waiting list. The application process includes an opportunity for the applicant to identify additional contact people or advocates that the Commission must notify when doing business with the applicant. At this point, the GRHC makes a preliminary determination of eligibility and notifies the family by

mail. The applicant may, at any time, report changes in their applicant status. The second phase is the final determination of eligibility, referred to as the full application. The full application takes place when the family nears the top of the waiting list. The GRHC ensures that verification of all preferences, eligibility, suitability and selection factors are current in order to determine the family's final eligibility for admission.

**Public Housing and Tenant-Based Waiting Lists.** The Housing Commission accepts and processes applications for its subsidized housing developments on a first-come, first-serve basis and maintains waiting lists for all programs. The Public Housing waiting list contains 12,611 names. If the waiting list for a particular program/facility becomes short, the Housing Commission will send a mail blitz to see if anyone who did not choose that program would like to change their mind in order to be served sooner. Waiting lists are reviewed and updated annually to ensure that the pool of applicants reasonably represents the interested families for whom the GRHC has current information.

The waiting list for Housing Choice Vouchers closed on November 19, 2010, and did not re-open until a 5-day period between May 12 and May 16, 2014. During this time, 9,202 applications were received, of which 4,000 were chosen by a computerized random lottery to be added to the current list. The waiting list for Vouchers contains 3,563 people. The waiting list is currently closed. The GRHC Section 8 Administrative Plan requires that Kent County residents be served before families applying from outside the area. Since the GRHC received more than 5,562 applications from Kent County residents, those applying from outside of the county were not included in the lottery.

**Tenant Selection and Assignment.** Each family's unit size is determined so as to avoid overcrowding and over-housing, based on the assumption that each bedroom will accommodate no more than two people. Two adults will share a bedroom unless related by blood. In the first-come first-serve process, the Housing Commission gives preference within each bedroom size category to displaced people, Grand Rapids residents, veterans, the elderly and those with accessibility issues. In the Public Housing buildings specifically designed for the elderly and disabled, preference will be given to elderly and disabled families, followed by near-elderly families, followed by families who qualify for the appropriate bedroom size using these priorities. Accessible units in all housing developments will be first offered to families who may benefit from the accessible features. Applicants for these units will be selected using the same preference system as outlined above. If there are no applicants who would benefit from the accessible features, the units will be offered to other applicants in the order that their names come to the top of the waiting list. Such applicants, however, must sign a release form stating they will accept a transfer (at their own expense) if, at a future time, a family requiring an accessible feature applies. Any family required to transfer will be given a 30-day notice.

If the family rejects with good cause any unit offered, they will not lose their place on the waiting list. Good cause includes reasons related to health, proximity to work, school, and childcare (for those working or going to school). The family will be offered of the right to an informal review of the decision to alter their application status. There is no limit to the number of refusals.

Section 8 staff is trained to help people find neighborhoods in which they are comfortable, including nontraditional neighborhoods. For those receiving portable vouchers, the Housing Commission provides an orientation during which staff describes the portability of the voucher, applicable conditions (the resident must have lived in Grand Rapids for 12 months before they can use a voucher to port to the jurisdiction of another Housing Authority), the benefits of moving to different areas (schools, stores, etc.), and refer them to resources where they can find units for themselves.

**Section 504 Needs Assessment/Accessibility/Reasonable Accommodation.** As a result of the Section 504 Needs Assessment, the Housing Commission has modified existing structures (both common areas and dwelling units) to accommodate people with disabilities and dedicates as much as 10% of its new construction to barrier-free units. Policies, applications, forms and services have also been modified to make reasonable accommodations. For example, if someone in a standard unit had a change in health and needed a barrier-free unit, the Housing Commission would move them or find other reasonable accommodation such as a ground floor unit.

For portable vouchers, the Housing Commission provides clients with disabilities an overview of how to find units for themselves. They make referrals to MSHDA's Michigan Housing Locator, which provides accessibility data on units. People without internet skills can find assistance at The Salvation Army. The Housing Commission also refers people with accessibility issues to Disability Advocates of Kent County, which can provide home assessments, independent living plans, and referrals to home modification services for low-income individuals.

**Concentrations and/or Patterns.** The Housing Commission strives to deconcentrate poverty in the city. Race/ethnicity is not a consideration when assigning units. The GRHC's policy provides for deconcentration of poverty and encourages income mixing by bringing higher income families into lower income developments and lower income families into higher income developments. Toward this end, GRHC will skip families on the waiting list to reach other families with a lower or higher income. This is done in a uniform and non-discriminating manner. The Housing Commission affirmatively markets housing to all eligible income groups. Lower income residents will not be steered toward lower income developments and higher income people will not be steered toward higher income developments. Prior to the beginning of each fiscal year, the GRHC analyzes the income levels of families residing in each development, the income levels of census tracts in which the developments are located, and the income levels of families on the waiting list. Based on this analysis, staff will determine the level of marketing strategies and deconcentration incentives to implement. Over the years, the GRHC has not seen a pattern of concentrated poverty during this analysis.

The Section 8 program conducts an annual analysis of families living in high or low poverty areas. Currently, 73% of families live outside high poverty areas (defined as 20% of census tract residents at or below poverty). Fifty-three percent (53%) are disabled, 62% are African American, 30% are White, .08% are Native American, 0.4% are Asian and 6.8% are Hispanic.

Although race/ethnicity is not considered when assigning units, the subject was analyzed for purposes of this study. For all GRHC programs, 32.1% of clients are White, 58.8% are

African American/Black, .8% are Native American/Alaska Native, 0.4% are Asian, and 7.9% are Hispanic. There is considerable deviation from these overall percentages within individual programs/facilities, with 84.4% of Sheldon Apartment residents African American/Black. Because people apply for the programs/facilities that interest them, it is believed that individual preferences as well as available units play a role.

**Regional Mobility.** There are five housing authority jurisdictions in the Grand Rapids metropolitan area (MSHDA, Kent County, Grand Rapids, Wyoming, Rockford). Since the 1980s, these jurisdictions overlap and do not have territorial battles. The GRHC talks with other jurisdictions and operates the FSS program on a regional basis. However, they do not administer a single waiting list because each jurisdiction has separate plans and preferences, and allowing portability would make it difficult to be in compliance with each plan.

Housing Choice Vouchers are portable to any housing authority in the United States and Puerto Rico, which is explained to recipients during orientation. The Commission supports fifty-four (54) families who have used their Housing Choice Vouchers to move to other states under the portability option. The Commission accepts 4 newly ported families each month.

### **CITY-ASSISTED AFFORDABLE HOUSING DEVELOPMENTS**

The City of Grand Rapids sub-grants federal funds to housing providers to develop or redevelop affordable single- and multi-family properties for ownership and rental. The City also sub-grants funds to social service agencies to provide tenant-based rental assistance to eligible households experiencing a housing crisis. Contractual agreements between the City and the providers require full compliance with all applicable Federal, State, and local laws, including nondiscrimination laws. Full compliance with HUD regulations and guidance is also required. Before entering into the contractual agreement, the City reviews a provider's tenant selection, anti-discrimination, and accessibility policies. After entering into the agreement, the provider is required to demonstrate full compliance through various means, including reporting requirements and on-site monitoring by Community Development Department staff. If a housing provider is found in noncompliance through these means, a finding summary is issued to the provider. The summary includes corrective actions necessary to address the noncompliance issue and requirements for completing the corrective action in a timely fashion.

All assisted housing providers who contract with the City are required to implement an affirmative marketing plan as part of their tenant selection practice. This affirmative marketing plan includes procedures for contacting neighborhood organizations in order to obtain referrals, applications, and provide general information about local assisted housing units. Assisted housing providers take applications directly from prospective tenants or through referrals from neighborhood organizations. Many application processes require an application, criminal history background check release, and copy of social security card and photo identification. Some application processes vary by the specific project or property. For example, an organization may have a different application for single family rental vs. homebuyer vs. rental apartments. However, all participating organizations must comply with all Federal, State and Local laws and regulations pertaining to anti-discrimination, accessibility, Fair Housing, and so forth. Compliance is verified during monitoring visits and through collection of regular reports.

Tenant selection procedures prohibit discrimination based on race, color, creed, religion, sex, national origin, age, handicap, marital or familial status, and require compliance with all Federal, State, and Local Fair Housing and Civil Rights Laws. In the case of supportive housing, applicants are required to be within the target population for which services are provided. Qualified applicants are placed on a waiting list that complies with Project Based Voucher (PBV) requirements. If a waiting list is not maintained, special outreach efforts may be required prior to informing the general public of a vacancy. Assisted housing providers make every effort to fill units specifically designated for people with disabilities with those applicants in need of an accessible unit, and procedures allow for reasonable accommodation.

Of the housing developments currently being monitored by the City of Grand Rapids Community Development Department, there are no patterns of intentional concentration of tenants based on race or ethnicity.

## **PUBLIC TRANSPORTATION**

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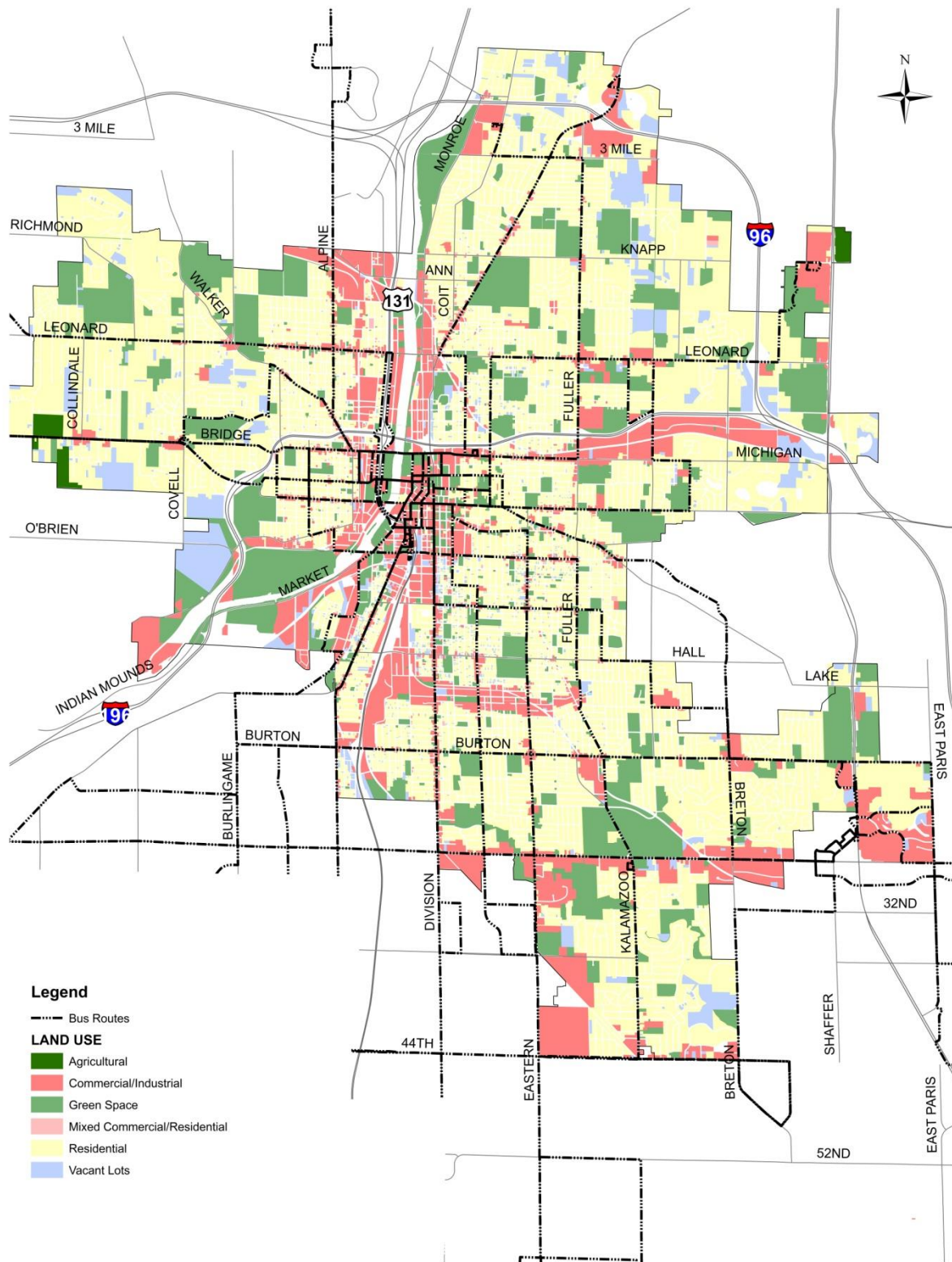
Although not directly related to fair housing choice, the availability of public transportation can increase options by allowing people to expand their home search to neighborhoods farther from jobs, services, and amenities. This could also help reduce concentrations of poverty and/or race/ethnicity.

Mass public transportation in the Grand Rapids community is provided by the Interurban Transit Partnership (ITP) – The Rapid.<sup>28</sup> ITP is an authority operating under Michigan Public Act 196 of 1986 and is overseen by a 15-member board of directors which represent the six municipalities in the service area. ITP's central station is centrally located on the southern edge of downtown Grand Rapids. From there, 28 bus routes crisscross the city and extend into the metropolitan area, including the Silver Line, Michigan's first bus rapid transit. A Go!Bus provides door-to-door service for people with disabilities and seniors within a 180-square mile area of Grand Rapids for one-way fares of \$3.50 for people with disabilities and \$8.00 for people over 65. The PASS program will pick up people who live more than one third of a mile off the bus line and deliver them to the nearest bus stop for \$3.50. The Rapid also participates in RideLink, a network of area transportation providers that offer transportation to people 60 years and older to any necessary destination within Kent County. RideLink is funded by the Kent County Senior Millage and a donation of \$2.00 per trip is encouraged. ITP also offers car and van pooling.

Map 2.5 below illustrates the relationship of public transportation to housing and jobs. Residential zones are indicated in yellow and employment zones (commercial, office, mixed commercial/residential, medical, industrial, institutional) in shades of red. Bus routes serve the entire city and are more numerous in higher density residential areas. They link housing to the majority of business areas in the city and beyond. (See Map 2.4 for the relationship of public transportation and assisted housing developments.)

## Map 2.5: Housing, Job, and Public Transportation Relationships

Source: City of Grand Rapids



### SECTION III. EVALUATION OF CURRENT FAIR HOUSING LEGAL STATUS

Complaints received by the City of Grand Rapids are referred to the Fair Housing Center of West Michigan (FHCWM) for investigation. For this analysis, complaint records from both the FHCWM and HUD's Region V Enforcement Office were examined.

#### THE FAIR HOUSING CENTER OF WEST MICHIGAN

Founded in 1980 as the Fair Housing Center of Greater Grand Rapids, in 2006 the Center merged with the Lakeshore Fair Housing Center (Holland) and became known as the Fair Housing Center of West Michigan (FHCWM). The FHCWM currently serves the counties of Allegan, Ionia, Isabella, Kent, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola and Ottawa. The organization works in partnership with governmental and community organizations to further fair housing goals and help people understand how essential fair housing is to a thriving, sustainable community. Activities include investigating claims of illegal housing discrimination, assisting claimants in litigation and/or administrative enforcement action, conducting tests to determine compliance with federal, state, and local fair housing laws, providing educational services to industry professionals, related organizations, and home seekers, and working with policy makers to coordinate fair housing and community goals.

#### HOUSING DISCRIMINATION COMPLAINTS FILED WITH FHCWM

Ninety-seven (97) percent of Grand Rapids fair housing complaints filed with the FHCWM between 2005 and 2014 have been closed. Cases remaining open primarily deal with race.

**Table 3.1**  
**Fair Housing Complaints Opened in the city of Grand Rapids by Basis (2005-2014)**

Basis	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total	% Closed
Familial Status	13	14	34	54	79	41	15	6	12	11	<b>279</b>	99%
Race	31	50	31	21	18	10	8	8	15	13	<b>205</b>	96%
Disability	5	11	4	8	6	13	6	9	13	10	<b>85</b>	94%
Income Source	9	3	8	7	6	5	3	3	0	5	<b>49</b>	98%
Gender	2	2	2	4	13	1	3	3	3	2	<b>35</b>	94%
National Origin	10	3	3	3	1	3	3	1	2	0	<b>29</b>	100%
Age	3	4	7	5	1	6	0	1	0	0	<b>27</b>	100%
Marital Status	1	4	4	5	0	2	1	1	0	0	<b>18</b>	100%
Religion	1	1	1	0	6	4	0	0	0	0	<b>13</b>	100%
Color	3	0	1	0	0	0	0	0	0	0	<b>4</b>	100%
Other	1	1	0	0	0	0	0	1	0	0	<b>3</b>	100%
<b>Total</b>	<b>79</b>	<b>93</b>	<b>95</b>	<b>107</b>	<b>130</b>	<b>85</b>	<b>39</b>	<b>33</b>	<b>45</b>	<b>41</b>	<b>747</b>	<b>97%</b>

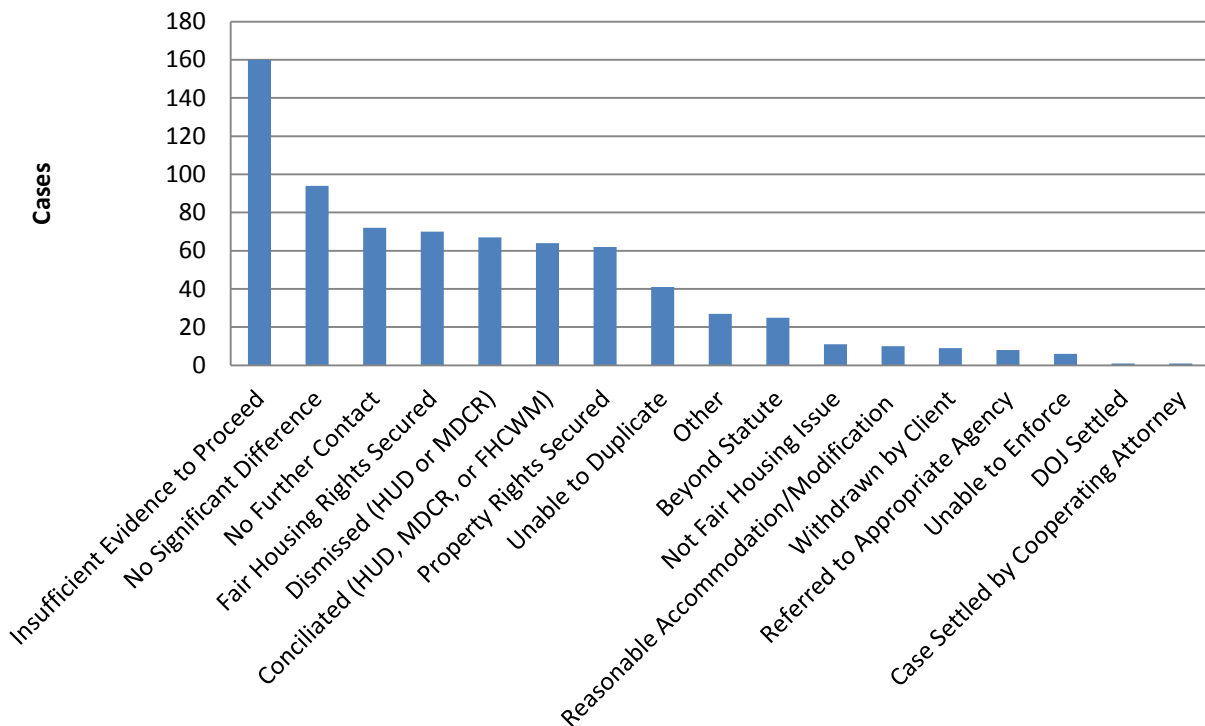
Source: Fair Housing Center of West Michigan



Table 3.2 Fair Housing Complaints in the city of Grand Rapids by Transaction Type (2005-2014)											
Transaction	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Rental	59	83	89	104	124	77	37	29	42	37	681
Sales	17	9	3	3	4	2	2	4	3	0	47
Mortgage	3	1	2	0	2	4	0	0	0	0	12
Other	0	0	1	0	0	2	0	0	0	4	7
<b>Total</b>	<b>79</b>	<b>93</b>	<b>95</b>	<b>107</b>	<b>130</b>	<b>85</b>	<b>39</b>	<b>33</b>	<b>45</b>	<b>41</b>	<b>747</b>
Source: Fair Housing Center of West Michigan											

**Chart 3.1**  
**Grand Rapids Fair Housing Resolution Types, 2005-2014**

Source: Fair Housing Center of West Michigan



SELECTED CATEGORY	EXPLANATION
No Significant Difference	Testing or other investigation revealed no significant difference in treatment based on the protected class.
No Further Contact	Client did not maintain contact with the FHCWM and the investigation could not proceed.
Fair Housing Rights Secured	Respondent took adjustive action.

SELECTED CATEGORY	EXPLANATION
Dismissed	Case dismissed for a determination of no reasonable cause to proceed.
Conciliation	Resolved through settlement agreement.
Property Rights Secured	The complainant's desired housing rights were attained.
Beyond Statute of Limitations	FHCWM unable to obtain sufficient information to proceed before the expiration of the applicable statute of limitations.

### HOUSING DISCRIMINATION COMPLAINTS FILED WITH HUD

Although the FHCWM works for resolutions locally, it has filed significant numbers of cases with HUD for administrative review and investigation. Between 2008 and 2014, approximately 260 of the FHCWM's cases involving people and/or property within the City of Grand Rapids were filed with HUD, either directly or dual filed through the Michigan Department of Civil Rights. Consequently, there will be duplication between FHCWM and HUD statistics. Other entities, including individuals, also file complaints directly with HUD.

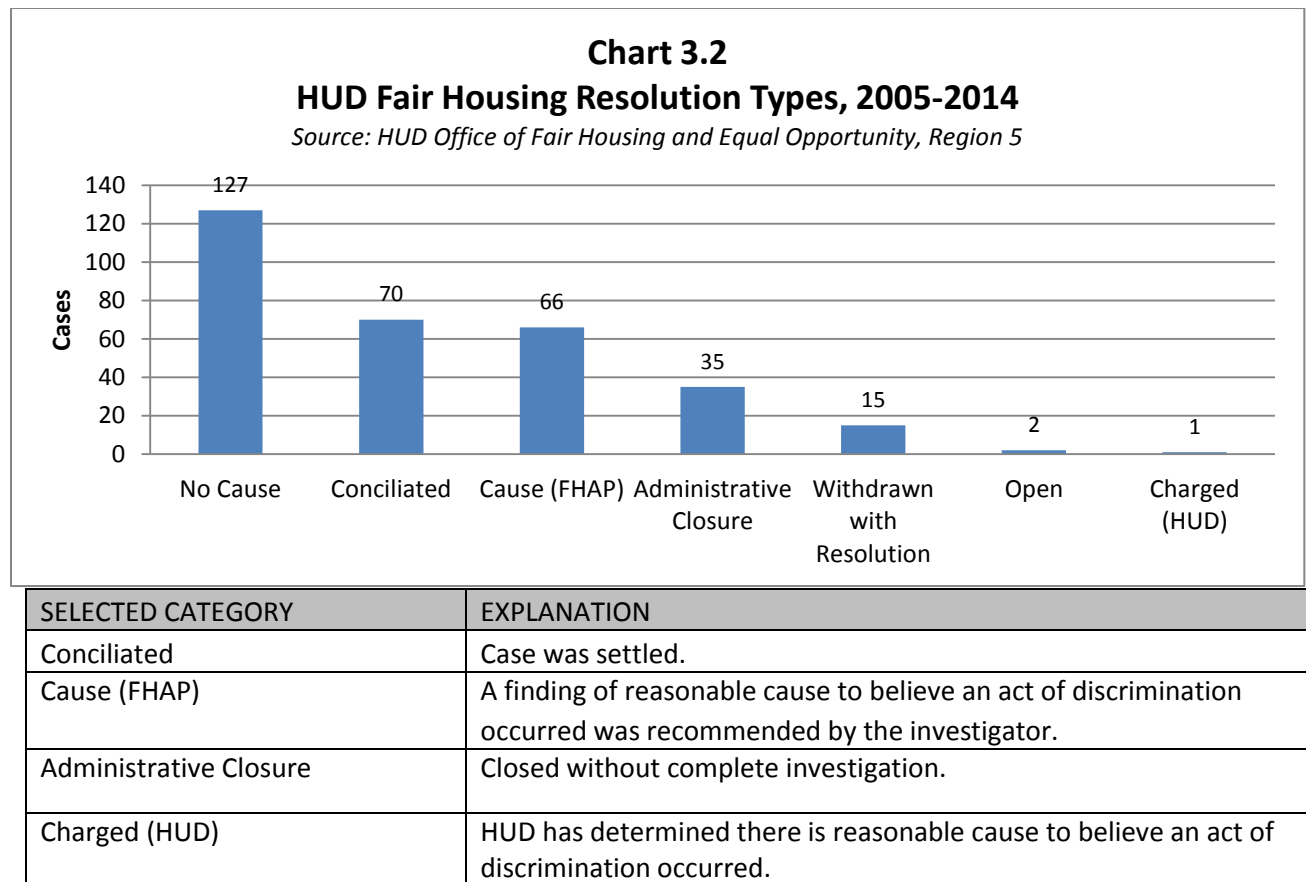
Between 2005 and 2014, 10% of Grand Rapids complaints filed with HUD alleged more than one discriminatory practice. In those cases, only issues that appeared first in the complaint records were used for this analysis. It was not always clear from the Issue Code Description what type of transaction occurred. For purposes of this study, cases dealing with *Terms and Conditions* and *Denial of Reasonable Accommodation/Modification* were assumed to be rental. However, it could also include condominium associations.

Between 2005 and 2014, HUD received no complaints regarding color (as recorded first in the complaint file), while age, marital status, and income source are outside of federal jurisdiction. The majority of complaints occurred in rental transactions. Seventy-eight (78) percent of cases have been closed; cases remaining open deal with familial status, disability, and race. Discrimination was charged in one case involving familial status.

Table 3.3 HUD Fair Housing Complaints by Basis, 2005 – 2014											
Basis	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Familial Status	1	0	1	112	44	19	9	0	2	0	188
Race	2	10	10	4	8	12	6	8	6	7	73
Disability Status	0	2	3	0	7	8	4	2	4	1	31
Gender	1	0	0	7	1	0	0	0	1	1	11
National Origin	0	1	1	2	1	0	0	2	1	0	8
Other	0	0	1	0	1	0	0	0	0	0	2
Religion	0	0	0	0	0	1	0	0	0	1	2
Color	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>13</b>	<b>16</b>	<b>125</b>	<b>62</b>	<b>40</b>	<b>19</b>	<b>12</b>	<b>14</b>	<b>10</b>	<b>271</b>

Source: HUD Office of Fair Housing and Equal Opportunity, Region 5

Table 3.4 HUD Fair Housing Complaints by Transaction, 2005 – 2014											
Transaction	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Rental	3	13	15	120	59	34	17	10	13	10	294
Sales	0	0	1	1	0	1	0	0	0	0	3
Mortgage	0	0	0	1	0	1	0	1	0	0	3
Other	1	0	0	1	0	0	0	0	0	0	2
Unknown	0	0	0	2	3	4	2	1	1	0	13
<b>Total</b>	<b>4</b>	<b>13</b>	<b>16</b>	<b>125</b>	<b>62</b>	<b>40</b>	<b>19</b>	<b>12</b>	<b>14</b>	<b>10</b>	<b>315</b>
Source: HUD Office of Fair Housing and Equal Opportunity, Region 5											

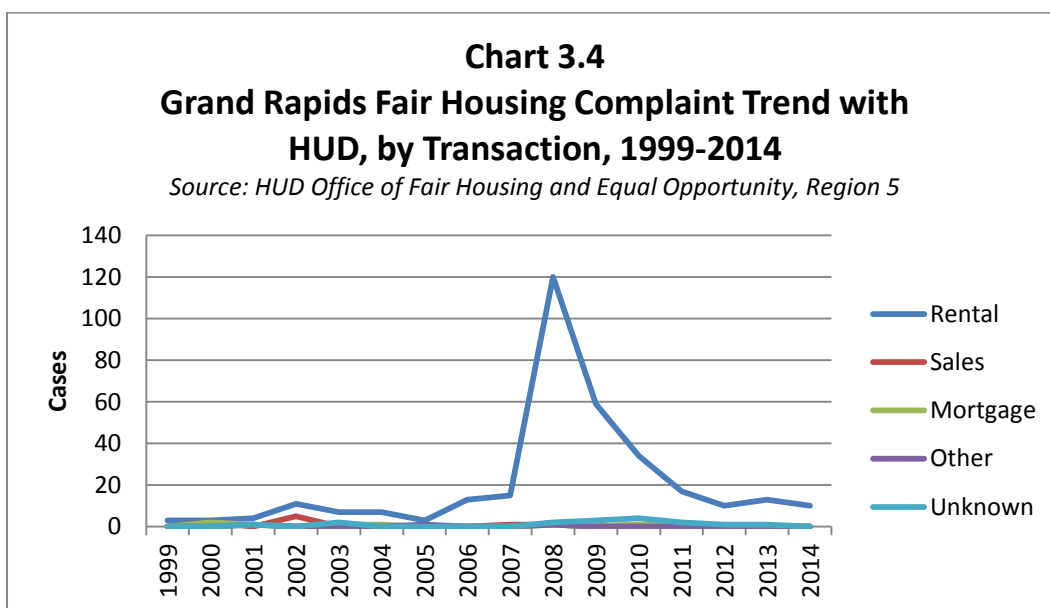
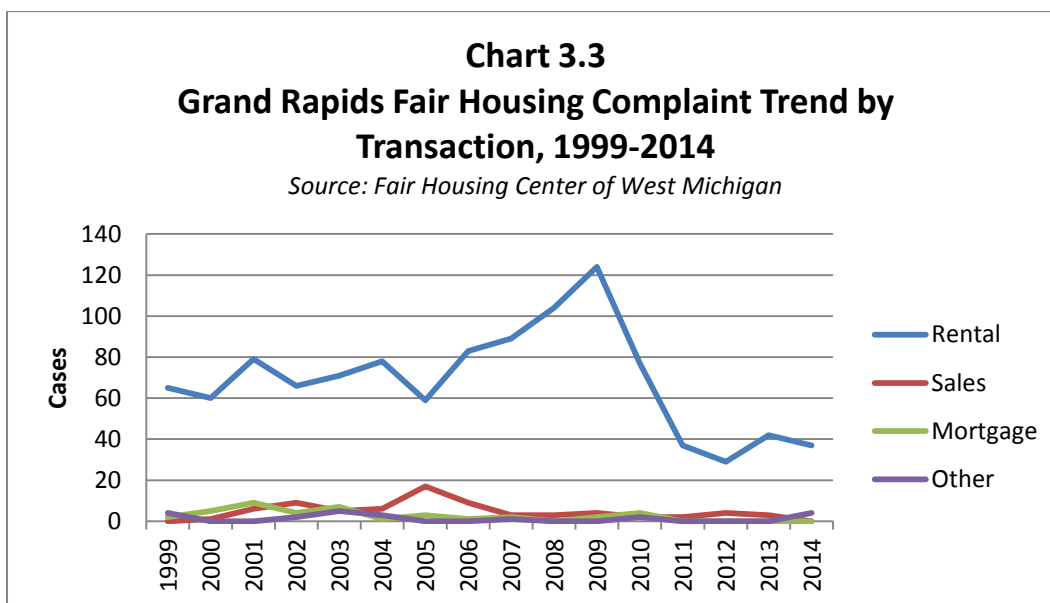


### FAIR HOUSING COMPLAINT TRENDS, 1999 – 2014

Rental transactions generated the most complaints. Overall, the majority of complaints being filed alleged race, familial status, disability, and source of income. In 2008 and 2009, familial status and gender sharply increased while disability status saw a moderate increase. Complaints

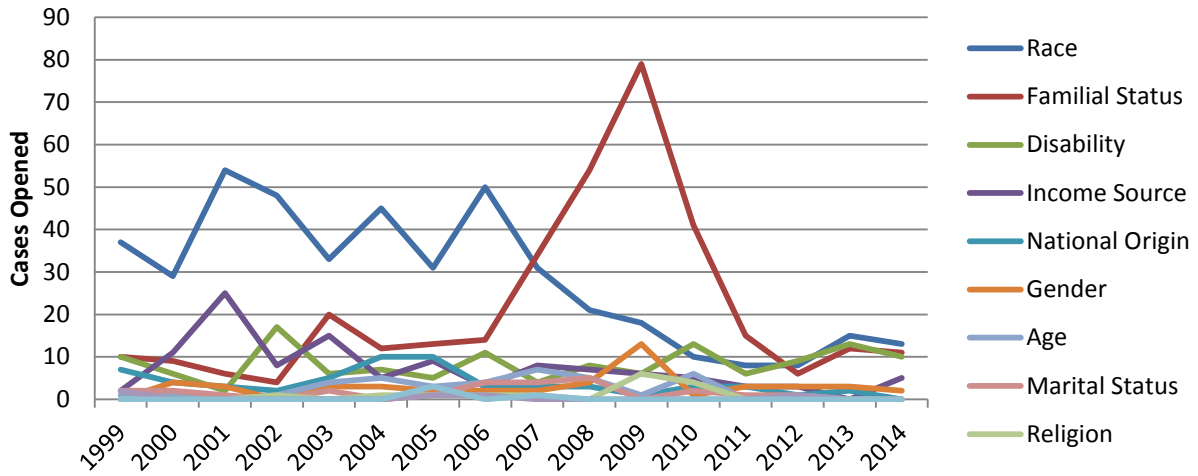
for race have seen a significant decrease over the last ten years. (Charts based on raw data, which has not undergone statistical analysis.)

Fair housing experts suggest that the rise in familial status complaints was due to a combination of new, inexperienced landlords who did not understand fair housing laws and internet advertising, where web sites are not considered accountable to fair housing laws in the same manner as newspapers.



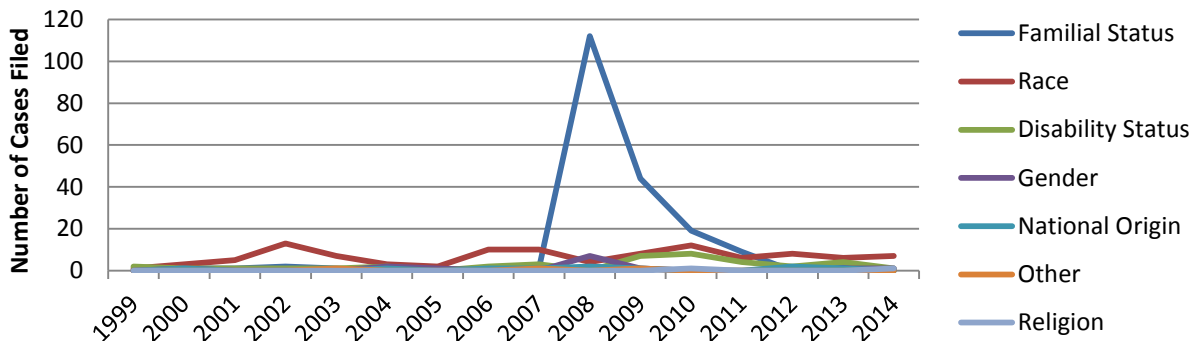
**Chart 3.5**  
**Grand Rapids Fair Housing Complaint Trend, 1999-2014**

*Source: Fair Housing Center of West Michigan*



**Chart 3.6**  
**Grand Rapids Fair Housing Complaint Trend,  
 Filed with HUD, 1999 - 2014**

*Source: HUD Office of Fair Housing and Equal Opportunity, Region 5*



## **SECTION IV. REVIEW OF PUBLIC AND PRIVATE SECTOR POLICIES AND PROGRAMS AFFECTING HOUSING**

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### **PUBLIC SECTOR**

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The City of Grand Rapids has adopted inclusionary plans and zoning that promote mixed-income, mixed-use development, thereby providing a greater variety of housing and transit options throughout the city. This tends to further, rather than impede, fair housing choice. However, the City cannot lawfully alter the State building codes and, consequently, cannot require a higher standard for accessibility. The City's "Fair Housing" Ordinance has also been difficult to enforce. The following review highlights these policies and ordinances.

### **MASTER PLAN**

Grand Rapids' 2002 Master Plan was the first comprehensive, citywide plan prepared since 1963. Begun in 2000, the planning process drew extensive community participation to gain consensus on a new vision for the community. The Master Plan went beyond broad citywide policies for land use and transportation to make the quality and character of development an important planning consideration. Based on the principles of Smart Growth, the Master Plan's recommendations are organized into seven themes: Great Neighborhoods, Vital Business Districts, A Strong Economy, Balanced Transportation, A City that Enriches Our Lives, A City in Balance with Nature, and Partnerships. The 2011 amendment to the Master Plan, Green Grand Rapids, updated three Master Plan themes based on green infrastructure and quality of life priorities of the community.

**Housing.** The Master Plan's "Great Neighborhoods" section calls for a variety of housing types to meet the needs of a diverse population. The intent is to provide a range of housing within neighborhoods to accommodate all residents regardless of income, special need, or place in the life cycle (e.g. single, married, with children, empty nest, retired). See the Zoning Ordinance below for specific examples. The existing character of neighborhoods should be protected by encouraging new development and rehabilitation to maintain the overall existing patterns of density and sensitivity to the existing context in site planning and architectural design. In addition, mixed-use development that distributes higher density housing in smaller increments throughout the city and offers housing choices is encouraged.

**Transportation.** Land use decisions must be coordinated with efforts to improve and expand transit service, and to create a balanced transportation system that reduces dependence on the automobile. More compact development patterns and higher development densities in some areas of the city will concentrate travel origins and destinations to support more efficient transit operation. The Master Plan includes a number of land use recommendations that reinforce efforts to make transit a viable transportation choice, including:

- Directing higher housing densities to locations on, or within walking distance, of major transit routes;
- Encouraging the creation of compact, walkable mixed-use centers located on existing high ridership bus routes and proposed bus rapid transit routes;

- Encouraging the location of major job centers on transit routes and the provision of incentives for employees to choose the bus over commuting by car.

**Quality and Character.** The Grand Rapids community is concerned about the quality and character of development. Two critical issues serve as the philosophical foundation for the Master Plan's sample guidelines: the appropriate balance between walkability and automobile access, and the importance of compatibility with the built context. The guidelines focus on mixed-use; higher quality, higher density residential development; and green space in the central city.

## **GREEN GRAND RAPIDS**

In 2008, the City of Grand Rapids initiated an update to its 2002 Master Plan. While the Master Plan is still considered a sound policy foundation, a number of new issues had emerged that called for community discussion. This update focused on recommendations that protect, improve and link environmental assets and green spaces in a connected system that improves sustainability, health, and quality of life. Although these recommendations support all of the Master Plan themes, they have been used to update and augment three of the 2002 Master Plan theme chapters: Balanced Transportation, A City that Enriches Our Lives and A City in Balance with Nature. Green Grand Rapids goals include providing a park within a ¼ mile walk of every home, achieving a 40% urban tree canopy, and more quality local food options available in community gardens and farmers markets.

## **ZONING ORDINANCE**

The Zoning Ordinance is the regulatory device that implements the Master Plan. A total re-write of the outdated 1969 ordinance was completed in 2007 and amended as recently as 2015. Key provisions in the ordinance include permitting live-work units, allowing accessory dwelling units in single-family neighborhoods, encouraging mixed-use in commercial district buildings (with housing on the upper floors), and promoting infill development by permitting small homes on narrow lots. Enabling these housing options provides for less expensive types of housing to be built in the city, thus providing greater housing choice. In addition, the new Zoning Ordinance provides a density bonus for mixed-income housing projects; has made it easier for large group foster care homes to be built outside the GTA; and allows social service facilities in residential areas. The Zoning Ordinance also eliminated the requirement for Planning Commission approval for many types of development projects and established staff review and approval standards, thus enabling a developer or builder to obtain faster approval and at a lower fee. Several aspects that may affect a person's access to housing or limit the range of available housing choices are detailed below.

**Variety of Housing Opportunity.** All residential zone districts within the City of Grand Rapids allow either by right or special land use single- and multi-family household dwellings, accessory dwelling units, and group living (see section below). Single Room Occupancy units are allowed in higher-density residential districts. It should be noted that the residential zone district names are "Low Density Residential" and "Mixed Density Residential;" the ordinance

does not identify “single family” or “multi-family” districts. All residential uses as listed are allowed within mixed-use commercial zone districts of the city as well.

**Dispersal Requirements for Group Homes in Single-Family Areas.** State of Michigan law requires by-right placement of adult foster care family homes with six (6) or fewer adults within single-family areas. The Zoning Ordinance generally allows group homes within all residential zone districts, depending upon the size and intensity of the facility. The following group living arrangements are allowed either by right or as a special land use in all residential zone districts: adult foster care homes, assisted living homes, nursing homes, residential rehabilitation facilities, and rooming or boarding houses. There is a dispersal requirement in the ordinance of 1,500 feet from another group home, as allowed by the Michigan Zoning Enabling Act.

**Occupancy Standards.** Occupancy is regulated both by the Housing Code and the Zoning Code. The Housing Code requires at least 120 square feet of habitable floor area for the first person and 100 square feet for each additional person in a dwelling unit. The Zoning Ordinance defines family as one (1) or more persons related by blood, marriage, adoption or guardianship, occupying a dwelling unit and living as a single nonprofit housekeeping unit; or not more than four (4) unrelated individuals eighteen (18) years of age or older living together in one (1) dwelling unit, having a relationship which is functionally equivalent to a family. The relationship must be of a permanent and distinct character, cooking as a single housekeeping unit with a demonstrable and recognizable bond characteristic of a cohesive unit. The following do not qualify as a family: any society, club, fraternity, sorority, association, lodge, organization, coterie, combine, federation, organization which is not a recognized religious order, or group of students or other individuals where the common living arrangement or basis for the establishment of the housekeeping unit is temporary and/or of resort-seasonal character in nature. The term family does not include any adult foster care facility licensed under Public Act No. 218 of 1979 (MCL 400.701 et seq., MSA 16.610(51) et seq.) except an adult foster care family home as defined in Section 3 of that Act (MCL 400.703, MSA 16.610(53)).

This definition of family has been upheld by Michigan courts, which have ruled that it is permissible for a municipality to enact a zoning ordinance that restricts the number of unrelated people who can live together in a single dwelling unit, but must also allow functional families. (*Mid-Michigan Rentals, Inc. v City of Mount Pleasant*, 2003 WL 22439721 [Mich App 2003]; *Charter Township of Delta v Dinolfo*, 419 Mich 253 [1984].)

**Minimum Lot Size Requirements.** The Zoning Ordinance calibrates the lot size requirements based on the era of development for three different neighborhood types. Minimum lot area requirements range from 3,800 to 7,000 square feet for single-family homes. Minimum lot width requirements range from 36 to 60 feet. If the typical lot dimensions in a particular neighborhood are smaller than those required but standard for that neighborhood, the ordinance allows the construction of homes on lots of lesser dimensions. This provision allows affordable housing providers to construct homes on small lots, thereby reducing the land costs associated with housing development and providing a greater variety of housing options.



**Density Bonus and Mixed-Income Incentives.** The Zoning Ordinance contains allowances for additional floors of a building for residential use as well as mixed-income housing. One additional story is permitted where at least 50% of the Gross Floor Area is committed to residential use; another story may be added where at least 80% is assigned. Minimum lot area requirements may be reduced by up to 500 square feet per unit where a mix of affordable and market rate housing is provided; this can also be taken as an additional floor. In 2014, the City amended the ordinance to increase the allowable density for the traditional business district and provided the opportunity for a density bonus where at least 50% of the Gross Floor Area is committed to residential use.

**Transit.** As noted in the Master Plan section, a central goal of the citizens of Grand Rapids is to create a balanced transportation system. The City Commission has adopted a resolution requiring Complete Streets and City staff has established a multi-disciplinary team to review all street construction projects to ensure that roadways are designed for all users. Mixed-Use Districts are aligned with transit lines and the Zoning Ordinance contains a Transit Oriented Development district that encourages high density development around transit stations. Pedestrian connections to the front door of a building are required, as is the installation of sidewalks for any development project.

**Parking Requirements.** The American Planning Association utilizes the parking provisions of the City of Grand Rapids Zoning Ordinance as a model example of flexible parking rules designed to require minimal parking for each site based on the presence of transit, shared use lots, bicycle facilities, and other measures. The Planning Director has the discretion to waive up to half (50%) of required parking based on various considerations and the Planning Commission can waive all parking requirements. The Development Center reviews all projects for ADA parking requirements (number and placement).

## **DEVELOPMENT CENTER**

Formed in 1998, the Development Center is a one-stop service for plan review and building permit approvals. Most plan reviews are completed in five days or less and many building permits can be approved within one day. A speedy approval process saves the developer or builder both time and money.

## **UNIFORM BUILDING CODE**

State law requires all municipalities to enforce the Michigan Residential Code and the Michigan Building Code or relinquish enforcement to the State. The result for developers and builders is a consistent code from jurisdiction to jurisdiction, thereby reducing uncertainty and construction costs. The Michigan Residential Code is based on the International Residential Code with State of Michigan Amendments, and governs new construction in 1- to 2-unit buildings. It does not require accessible units. The Michigan Building Code is based on the International Building Code with State of Michigan Amendments, and includes Chapter 11 Accessibility, which references ICC/ANSI A117.1 Standard. Under this Code, Type A and Type B Dwelling Units must have accessible features. Rooms and spaces available to the general public or available for use by residents and serving accessible units shall also be accessible. This shall include toilet and

bathing rooms, kitchen, living and dining areas, and any exterior spaces including patios, terraces and balconies. The Michigan Building Code exempts detached one and two family dwellings from being required to be accessible. It governs construction in larger developments, and requires the highest standard of accessibility only in housing projects over 20 units. Even then, only 2% of units are required to meet the highest standard. Since most residential construction in Grand Rapids has historically been comprised of single-family units or small developments (except in downtown), few units in the city meet the highest standard for accessibility.

It has been suggested that the City establish a higher accessibility standard than that required in the Michigan Building Code. However, per State law, municipalities cannot add to or delete requirements to either the Residential or Building Code. The City's Community Development Department is sensitive to the issue of accessibility and currently suggests modifications on an "as needed" basis in owner-occupied units supported with federal community development funds.

### **MICHIGAN REHABILITATION CODE**

The Michigan Rehabilitation Code provides an optional, and typically more flexible, approach to the rehabilitation of existing buildings. The City uses this Code at the request of the developer or builder. When a building permit is required for an alteration, this Code requires that the element which is altered comply with the applicable provisions in chapter 11 Accessibility of the Building Code and ICC/A117.1 Standard unless technically infeasible. This effectively means the rehabilitation will comply with new construction provisions, including accessibility when feasible. The flexibility of this Code usually results in reduced construction costs allowing for greater housing affordability.

### **IMPACT FEES**

The City of Grand Rapids does not attach impact fees to developments.

### **DEMOLITION POLICY**

A residential property may not be demolished in the city unless it meets one of three conditions. It must be under Repair or Demolish Orders under the Housing Code or Michigan Rehabilitation Code, the property be designated as permanent "green space," or have an approved redevelopment plan by Planning Department staff or the Planning Commission. As a result, more homes remain as affordable housing stock.

### **COMPOSITION OF PLANNING AND ZONING BOARDS**

The Grand Rapids City Commission is always seeking willing volunteers to serve on citizen boards or commissions. The City Commission appoints 348 citizens to 49 boards and commissions that are designed to give citizen input, to review City programs, to make recommendations to the City Commission, and represent the City on regional boards and commissions. The City Commission makes every effort to have representation from the City's three wards, as well as the racial, ethnic, and gender composition of the community on each of

the boards and commissions. Forty-four percent (44%) of Planning Commission members and 55% of Zoning Board of Appeals regular members are minorities and women. It should be noted that the pool of available volunteers is limited to those who express interest in serving.

## **EQUAL PROVISION OF GOVERNMENT SERVICES**

The City of Grand Rapids strives to provide services fairly and equitably throughout the city. City Commission Policy 100-04 states:

There is no room for racism in Grand Rapids City government – be it in the Police Department or elsewhere. There is also no room for any sort of invidious discrimination in the provision of any City service or for any action or inaction by the City or its employees that results in an abridgment of civil or constitutional rights. The City Commission hereby affirms its long-standing support of fair, lawful and nondiscriminatory service to the people of the City regardless of which City department delivers the service. The City Commission also reaffirms its position that public services provided by the City must be provided without unlawful discrimination based upon race, color, creed, national origin, ancestry, age, sex, marital status, handicap or gender orientation.

## **HEALTH AND SAFETY**

The Code Compliance Division of the Community Development Department is responsible for enforcing codes that govern the use, maintenance and upkeep of residential property, as well as various health and safety codes. The goal is to preserve the city's housing stock and stabilize neighborhoods through consistent application of ordinances. To that end, Code Compliance Officers may perform both exterior and interior inspections of dwellings. Codes enforced include Title VIII, Chapter 140 Grand Rapids Property Maintenance Code; International Property Maintenance Code 2012 Version; Title IX, Chapter 151 Nuisance, Chapter 169 Home Safety (Smoke Detectors); Title IV, Chapter 51, Sec. 4.28 Address Identification; Title VI, Chapter 71 Clean Indoor Air (Smoking Ordinance); Chapter 61 Zoning Ordinance; and Chapter 135, Building Maintenance Code (commercial building exterior).

**Property Registration.** The City of Grand Rapids Property Maintenance Code (Chapter 140) requires property owners or managers of all apartment buildings, hotels, rooming houses, and vacant or abandoned residential buildings to register the properties with the City. Rental properties, including single family units, must be registered annually or any time there is a change in ownership or owner information such as address or telephone number. City Property Maintenance Code defines rental property as a dwelling (or any part of the dwelling) not occupied as a residence by the owner (whether the unit/dwelling is vacant or occupied). This includes occupancy by family members living in a separate dwelling unit or whether or not any rent money is being received. Rental property registration is not required for jails, hospitals, skilled care facilities, school dormitories, and assisted living facilities. A registration fee is not charged for timely registration.

**Rental Property Certification.** Rental properties also require periodic certifications. Code Compliance Officers perform an interior and exterior inspection of the property. Properties meeting the minimum code requirement are issued a Certificate of Compliance (the Grand Rapids Property Maintenance Code contains different requirements than HUD's Housing Quality Standards). Compliant properties are posted on the Code Compliance web page. This transparency helps citizens identify quality rental housing. All rental property including single family units are required to be certified.

Property owners are allowed reasonable time to remedy code violations. When non-hazardous housing complaints are received, a notice of the complaint is sent to the owner allowing three weeks to correct the condition. Following inspection, if the problem is not resolved, a notice is sent to the owner allowing reasonable time to make repairs. This notice may be appealed and an extension from six months to one year may be granted. If the issue is still not resolved, the case may proceed to criminal or civil prosecution in an effort to gain compliance.

## **TARGETED HOUSING AND COMMUNITY DEVELOPMENT RESOURCES**

At the onset of the Community Development Block Grant program in the mid-1970s, federal regulations required that certain activities be geographically concentrated. Although that requirement has since been lifted, the City continues its targeting approach to concentrate activities and limited resources on areas of greatest need. See Map 2.2.

**General Target Area (GTA).** The GTA was identified using income and housing data, and the boundaries have been adjusted over time as decennial Census data at the block group level becomes available. About half of the city's population lives in the GTA. Within the GTA, at least 50% of residents have low and moderate incomes. Residents of the GTA have access to a broad range of services, including housing programs and legal assistance.

**Specific Target Area (STA).** Within the GTA are Specific Target Areas (STA). The STAs are residential neighborhoods where at least 51% of residents are low and moderate income. Residents of the STAs have access to major housing rehabilitation programs, street improvements, concentrated code enforcement, and support for neighborhood associations. The majority of housing and community development program funds are spent in these neighborhoods.

**City-wide programming.** City-wide programming is employed for certain programs and activities that promote the de-concentration of poverty. City-wide services are also available to income-eligible residents for handicap accessibility and minor home repairs. HOME and Emergency Solutions Grants funds may be used anywhere in the city, provided they benefit income-eligible people.

## **TAX ASSESSMENT/ABATEMENT PRACTICES**

Tax relief policies can help lower-income homeowners keep their home. They also promote fair housing as they help preserve homeownership opportunities for populations that otherwise would have only rental options. Such policies help developers create new affordable rental opportunities.

**Payment Plans for Real Property Taxes.** The manner by which property taxes are billed and collected is established by law. There is no provision in the Michigan statutes for payment plans. Local treasurers are responsible for distributing summer tax bills July 1, and there is not a payment plan that can be offered. However, Grand Rapids ordinance does permit installment payments. Taxpayers may, at any time after taxes are levied and prior to the beginning of March of the following year, pay City and school taxes in installments of not less than one-sixth of the amount of the original tax plus penalties due on the portion so paid to the date of payment. No partial payment shall be less than ten (\$10.00) dollars.

**Real Property Poverty Exemption Program.** State law (Section 7u of the General Property Tax Act, MCL 211.7u) allows a property tax exemption for the homestead of persons who, in the judgment of the Board of Review, by reason of poverty, are unable to contribute toward their property tax bill. City Commission Policy 700-07 provides local program guidelines. Taxpayers must apply annually for the exemption, which provides complete discharge, or “forgiveness,” from property taxes for households that meet program requirements. Taxpayers must fill out a Poverty Exemption Application and complete the corresponding Poverty Worksheet. The Board of Review uses adopted poverty exemption income guidelines and an asset level test to determine eligibility.

**Property Tax Deferments.** Real property owners can defer the payment of their summer tax bill until the following February 14 (or March, if they do not receive a Michigan property tax credit refund check) if they meet the income threshold and one other condition including age, disability status, or eligible serviceperson/veteran/widow/widower. The deferment assists those who are experiencing a financial hardship in paying their taxes until they receive their Michigan property tax credit check.

**Payment in Lieu of Taxes (PILOT) Policy.** The City Commission, on a case-by-case basis, may permit a 4% payment in lieu of property taxes for rental developments that serve lower-income persons. Developments intended to serve formerly homeless persons may have the payment waived in full. This policy has the effect of reducing the carrying costs of certain rental developments, thereby increasing their affordability.

**Nonprofit Housing Tax Exemption.** Public Act 456 of 2014 allows charitable non-profit housing organizations to apply to the State Tax Commission for an exemption of eligible non-profit housing property. The exemption shall continue in effect for the lesser of three years or until ownership of the property is transferred, or until occupied by a low-income person under a lease agreement, whichever comes first. This law has the effect of increasing the availability of affordable housing and home ownership among low-income residents by reducing the nonprofit’s carrying costs.

#### **“FAIR HOUSING” ORDINANCE**

As noted in the Introduction, the City of Grand Rapids has codified its commitment to fair housing. Grand Rapids Code of Ordinances, Title IX–Police Regulations, Chapter 160–Discrimination in Real Property Transactions, Sec. 9.362–Policy and 9.364–Discriminatory

Practices, assures equal opportunity for all people to live in adequate housing facilities regardless of race, color, religion, ancestry or national origin, age, sex, marital status, familial status, handicapped status, source of lawful income, or public assistance recipient status. Source of lawful income and receipt of public assistance are protections only offered at the local level. Source of lawful income is defined as consistent income derived from wages, social security, supplemental security income, all forms of federal, state or local assistance payments or subsidies, Section 8 assistance, child support, alimony and public assistance which can be verified and substantiated.

However, the ordinance as it pertains to lawful income has been difficult to enforce. Under the City Charter, a City employee must sign all appearance tickets for violation of City Code. In order to do so, the City employee must be able to swear under oath that they have personal knowledge of the facts giving rise to the ordinance violation. For those violations of the City's ordinance regarding source of income that come to light only through the work of FHCWM, the City cannot issue a ticket unless a City employee conducts an independent investigation and verifies the alleged discrimination.

## PRIVATE SECTOR

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Impediments to fair housing choice can appear in the sale and rental of real estate. The FHCWM has worked in this sector for many years providing education and enforcement activities. This review found questionable language and discrimination in online real estate listings. With regard to the lending industry, very few studies are available for the Grand Rapids market. This review found racial and income disparities but could not attribute them to discrimination or legitimate credit concerns. Steering or predatory lending may be a factor, with minorities getting the same deal from the same lenders. These findings suggest further investigation is needed. Whatever the reason for disparities, they often lead to community destabilization.

### ADVERTISING AND THE REAL ESTATE INDUSTRY

The federal fair housing law makes it illegal to discriminate or give preference based on race, color, religion, sex, handicap, familial status, or national origin in advertising. Advertising includes written or oral notices or statements such as applications, flyers, brochures, deeds, signs, banners, posters, billboards or any documents used with respect to the sale or rental of a dwelling.<sup>29</sup>

Prior to May 1996, advertisers and newspapers were required to include the Equal Housing Opportunity logo or slogan in ads. Although this section, 24 CFR Part 109, was withdrawn from the Code of Federal Regulations, it appears to still represent HUD's position on advertising, except as superseded by official memos. In addition to excluding ads that contain discriminatory language, newspapers are advised to include a *Publisher's Notice* stating that fair housing laws govern all housing advertised in the classified section of the paper, and housing advertisements (including lending) should contain a legible "Equal Housing Opportunity" logo (advertising smaller than 4 column inches can contain the slogan instead). Human models should represent both majority and minority groups.

In Grand Rapids, primary real estate and apartment advertising media include the *Grand Rapids Press*, the Grand Rapids Association of Realtors® web site, and other internet advertising. No significant sources of television or radio housing advertising were identified.

**The Grand Rapids Press.** The Sunday edition (2/1/15) was analyzed for compliance with Fair Housing law and HUD recommendations. No obviously discriminatory language was found. The *Publisher's Notice* with proper telephone numbers for reporting discrimination complaints was present. However, the optional Equal Housing Opportunity (EHO) logo was found to be present in only 50% (1 of 2) real estate advertisements four column inches or larger, and only 9% (6 of 66) of the smaller ads used the slogan, abbreviation, or logo. No ads used human models.

**Grand Rapids Association of Realtors (GRAR) Web Site.** The GRAR public multiple listing web site is one of the most comprehensive, free, publically available sources of real estate listings in the area. The listings contain detailed property data and most descriptions are appealing to buyers. On February 8, 2015, 520 residential properties were listed on GRAR's web site in the Grand Rapids Public School system (which is contained within the city limits). A random sample was taken, analyzing every second property.

In general, the vast majority of listings described the features of the homes and neighborhood amenities and not the preferred type of resident or buyer, as is recommended by fair housing best practices. However, a number of listings in the lower price brackets described homes in reference to families: “nice size home for medium to small family,” “super house for large family,” “family sized,” “great for a family that needs a lot of room,” “great home for young couple or retirees.” Interestingly, homes in higher price brackets made very little reference to families. Many listings described location in reference to parks, neighborhoods, amenities, schools, and/or churches. As a fair housing best practice, it is strongly recommended that all advertisements avoid the use of words, phrases, symbols or visual aids which indicate or convey any preference, limitation or discrimination based upon federal, state and local protected classes, including familial status, marital status, religion and age.

No Publisher’s Notice was found. No listings included any reference to Equal Housing Opportunity. All advertising for the sale, rental or financing of residential real estate should contain the Equal Housing Opportunity slogan, logo or statement. These indicate to the public that the property is available to everyone under the provisions of the Fair Housing Act. No listings included human models.

**Internet Advertising.** The internet is a popular and inexpensive way to advertise properties for sale and rent, and marketing resources<sup>30</sup> show that younger people often rely on the internet more than newspapers to find information. In 2009, the FHCWM found over 90 discriminatory online advertisements. About 88% of these were against families with children.<sup>31</sup> Since then, the FHCWM has handled over 90 additional cases involving discriminatory advertisements, again with just over 88% containing language that allegedly discriminates against families with children.

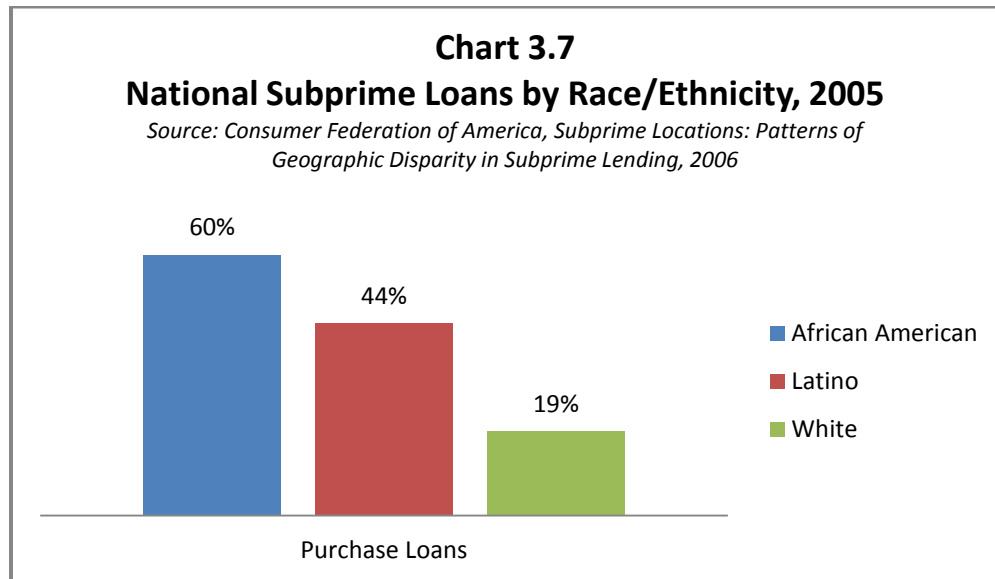
## **RESIDENTIAL MORTGAGE LENDING**

The 1975 United States Home Mortgage Disclosure Act (HMDA) requires financial institutions to maintain and annually disclose data about home purchases, home purchase pre-approvals, home improvement and refinance applications that involve 1 to 4 multi-family dwellings. A 1992 analysis by the Federal Reserve Bank of Boston, with the cooperation of the federal financial institutions regulatory agencies and HUD, found that, even after controlling for differences in relevant economic and financial variables, Black and Hispanic mortgage applicants were more likely to be turned down than similarly situated Whites.<sup>32</sup> This prompted efforts to make mortgages available to minorities.

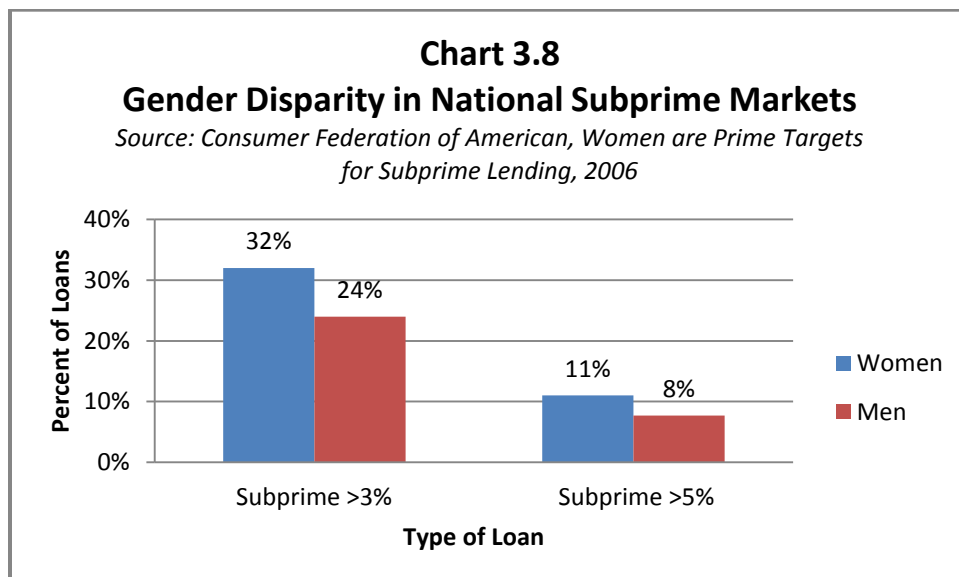
**National Subprime Trends.** Prime loans have rates that do not exceed 3% over the comparable Treasury rate. Subprime or high cost loans have rates that exceed 3%. A national study examined HMDA data of single-family, first lien conventional refinance loans. Findings revealed an increase in subprime lending from 1994 (5%) to 2005 (20%). Further, in 2005 over 80% of these loans were adjustable rate loans, meaning that they could get even more expensive in a few years.<sup>33</sup>

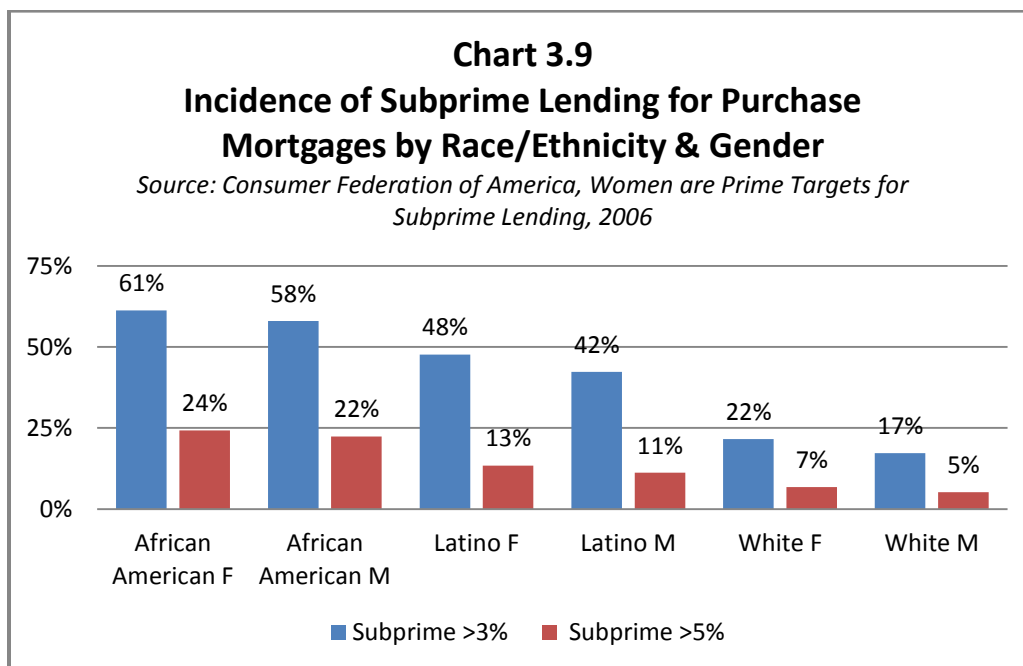


Subprime loans are generally more expensive to compensate lenders for the perceived increased risk in lending to borrowers with weak credit histories. However, two national studies that controlled for differences in credit score/debt load, borrower income, gender, property location, and loan amount, found significant racial disparities in the subprime market.<sup>34</sup>



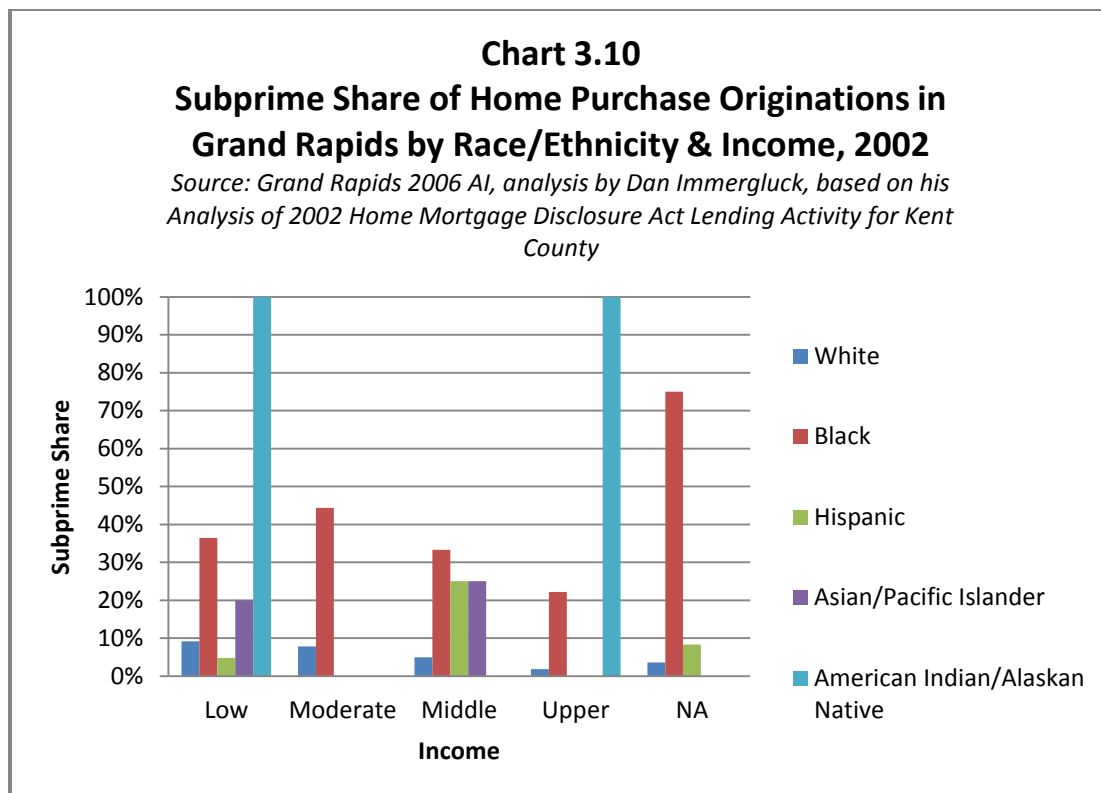
Another study found gender disparities in subprime lending. This study found that women were more likely to receive subprime and higher-cost mortgages of all types regardless of income, and the disparity between men and women increased as incomes rose. Women earning more than twice the median income were 46% more likely than men in the same income range to receive subprime purchase mortgages.<sup>35</sup>





In 2014, the National Bureau of Economic Research issued a working paper which found that, between 2004 and 2008, African-American and Hispanic borrowers in seven large metro markets were more likely to receive high cost loans even after controlling for key risk factors. Significantly, the study did not find much evidence of traditional racism (i.e. a lender treats minorities differently than Whites) but, rather, minorities were doing business with different lenders than Whites.<sup>36</sup>

**Grand Rapids Trends.** Based on 2002 HMDA data, a study analyzed home purchase and refinance loans within the 37 census tracts located completely within the city of Grand Rapids. Looking at conventional loans (not government-guaranteed), the study found disparities between neighborhoods based on race and income. Higher proportions of subprime loans were found in predominately minority and lower-income neighborhoods. The share of subprime originations in minority neighborhoods was between 5.5 and 6.2 times that in white neighborhoods, while the share in lower-income neighborhoods was between 3.1 and 4.7 times the share in upper-income neighborhoods. (Loans were categorized as subprime if the lender was on HUD's subprime lender list, because these lenders indicate that most of their loans are intended for borrowers with impaired credit. Limitations to the study include the fact that some prime lenders do make subprime loans, while some subprime lenders make a limited number of prime loans.)<sup>37</sup>



It is impossible to attribute these disparities to either discrimination/steering or legitimate concerns because HMDA data did not identify loan pricing or credit history. However, the study noted that loan applications may be initiated as much by lenders as by applicants (especially refinance loans), indicating that lenders' marketing behavior plays a strong role in where applications are taken and from whom. None of the top 20 home purchase lenders (conventional applications) in predominately white neighborhoods were on HUD's subprime lender list, while 35% of the top 20 lenders in predominately minority neighborhoods were on the list.<sup>38</sup> Considering that national studies have found disparities even when controlling for credit scores and other factors, it is possible that these Grand Rapids patterns point to discrimination in the lending industry.

Moving forward to 2005, Table 3.5 illustrates that the Grand Rapids lending market had a disproportionate rate of subprime refinance loans when compared to national medians. Again, it is not possible to attribute these disparities to either discrimination/steering or legitimate concerns.

Table 3.5 2005 Refinance Lending Disparities			
	Prime Loans	Subprime >3%	Subprime >5%
National MSA Median	69%	31%	11%
Grand Rapids MSA	63%	37%	15%
National State Median	70%	31%	11%
Michigan	64%	36%	15%
Source: Consumer Federation of America, Subprime Locations: Patters of Geographic Disparity in Subprime Lending, 2006			

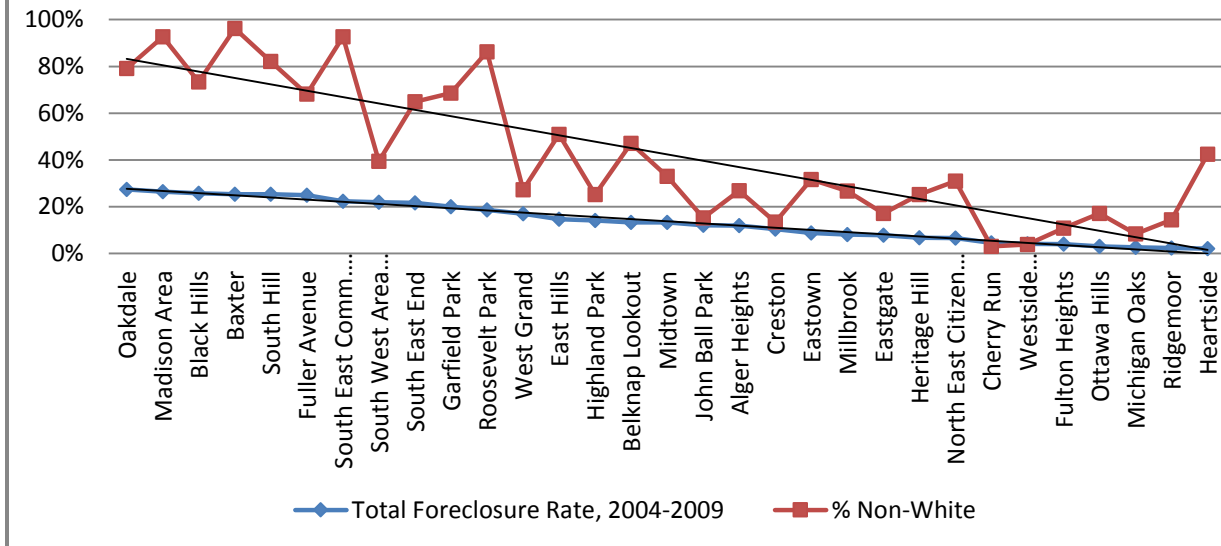
A 2014 national study by the Urban Institute looked at 100 million mortgages taken out between 2001 and 2013 and found that the overall number has declined sharply since the peak in 2005. This decline is even greater for African-American and Hispanic borrowers (73%) than Whites (48%). The authors attribute this to tighter lending standards and the lower credit profile of minority communities. In particular, the Grand Rapids-Wyoming area had the least equitable mortgage recovery, with a smaller decline for Asian and White borrowers than for African-American and Hispanic borrowers.<sup>39</sup>

**Foreclosure.** Grand Rapids was hit hard by the foreclosure crisis. Between 2004 and June 2013, 19% of all city homes had been foreclosed.<sup>40</sup> Foreclosures were concentrated in the General Target Area, which has higher housing density and older housing stock. It also contains a high rate of low- to moderate-income people, many of whom are minorities who have higher unemployment.

A 2008 report documented foreclosure disparities among neighborhoods, showing that low-income and African-American neighborhoods were disproportionately affected by foreclosure. In particular, five neighborhoods (Baxter, Fuller Avenue, Madison Area, South East Community Association, and Oakdale) had rates more than twice the city rate, and four of these had shown early signs of distress.<sup>41</sup> Chart 2.26 illustrates that neighborhoods with higher minority populations generally had higher foreclosure rates. The top 11 neighborhoods for foreclosures – with one exception – had minority populations over 60%.

**Chart 3.11**  
**Comparison of Grand Rapids Neighborhood**  
**Foreclosure Rates (2004-2009) and Racial Composition**

*Source: GVSU Community Research Institute; U.S. Census 2000*



**Community Destabilization.** Lack of access to good loans can destabilize communities. Lack of access can occur through discriminatory practices (such as unwillingness to modify loans based on vocal characteristics over the telephone), closing of neighborhood bank branches, or even through the lack of available comparable homes during a real estate transaction, when the home for sale is in better condition than others in the neighborhood. When good loans are not available, people may turn to subprime loans to secure their housing. Studies have found that subprime loans lead to greater foreclosure rates, which, because of geographic concentration, significantly affect minority and low-income neighborhoods.<sup>42</sup> This has a destabilizing effect upon the community. Overall, the estimated cost to homeowners, lenders, neighborhoods, and governments is about \$80,000 per foreclosure.<sup>43</sup>

Homeowners who are forced into foreclosure face a difficult future. They have lost their shelter, their key asset, and their credit scores are tarnished. Some are not able to find a new home due to their credit scores and many move in with family members.<sup>44</sup> Many need to find employment. It can take years before they own a home again.

Neighbors are affected because foreclosures lower property values and quality of life, and raise insurance costs and crime rates. One study found that property values in low- and moderate-income neighborhoods decreased about 1.4% for each conventional foreclosure within an eighth of a mile radius.<sup>45</sup> Especially in lower income neighborhoods, property devaluation is often followed by disinvestment. Fire and decay threaten physical safety.<sup>46</sup> A high number of foreclosures results in a higher rate of neighborhood crime,<sup>47</sup> especially violent crime.<sup>48</sup>

Foreclosure significantly affects local governments and schools through reduced tax revenues and increased costs associated with health and safety response and maintenance. Some estimates place these additional costs to government as high as \$27,000 to \$30,000 per property.<sup>49</sup> Public and nonprofit social service resources are also stretched thin as the need for assistance rises.

## **SECTION V. COMMUNITY PERCEPTIONS OF IMPEDIMENTS TO FAIR HOUSING CHOICE IN GRAND RAPIDS**

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Discrimination on the basis of disability remains the most prevalent of cases reported to HUD and local fair housing centers.

The highest volume of complaints received by the Fair Housing Center of West Michigan continues to be for familial status closely followed by disability status and race.

The Fair Housing Center of West Michigan finds that discrimination on the basis of source of income remains prevalent, especially as out-of-state developers purchase properties in the City and refuse to accept Section 8 vouchers. The Housing Choice Voucher program is undermined by limited protections against discrimination on the basis of source of income, and even more limited enforcement options.

During the period leading up to the 2010 AI, the economy was still struggling and the community was dealing with high numbers of foreclosures and low housing prices that attracted inexperienced investors and landlords. However, today the economy has improved, foreclosures are down, and the housing market is rebounding. The main issues now are not as much with smaller landlords as with new or expanding companies or larger investors that manage an increasingly larger housing portfolio and are instituting policies or practices that pose systemic barriers to housing choice.

A significant impediment to fair housing choice includes housing policies and practices that appear neutral but may actually have a disparate impact on a protected class. This includes occupancy restrictions that result in lost housing opportunity for families with children, strictly enforced “no pet” policies that result in the denial of housing opportunity to a person with a disability who has a service animal, and others.

Advertising remains a concern in the way housing is marketed. While MLS and other advertising web sites are not responsible for what third parties post on the site, concerns include language in ads, human models that appropriately represent diversity, where and how properties are marketed, and the way housing is set up.

Some lenders will not provide loans below a certain amount (minimum loan amounts). Some insurers set minimum coverage as well. These are barriers for people who want or need lower-cost housing.

Non-English speaking people include those who are deaf and use American Sign Language. They also experience language barriers and may not understand the complex language of housing contracts.

Lack of accessible housing is a barrier to people with disabilities but, per State law, the City cannot change the Residential or Building Code. Today, there is a slight shift in housing

development away from single family and smaller developments. There are multi-family housing developments rising throughout the city, especially in the Michigan Street corridor and on the west side. This is a prime opportunity to ensure housing is built in compliance with the Fair Housing Act's Design and Construction requirements. (These requirements apply to multi-family housing and include accessible features such as routes, entrances, public and common-use areas as well as accessible routes into and through the housing unit; usable doors, kitchens, and bathrooms; reinforced walls in bathrooms; and accessible light switches, outlets, and other environmental controls. Housing developers and providers must also ensure that the housing meets ADA requirements, as well as other applicable laws and codes.)

Landlords do not fully understand their obligations in terms of making reasonable accommodations and reasonable modifications for people with disabilities.

There is no requirement for accessibility within the Law (i.e. residential code), which regulates single and 2-family detached structures, townhomes and live/work units of three stories or less.

By Law (i.e. building code), there are three levels of accessible housing for larger developments. From highest to lowest standard, they are Accessible, Type A, and Type B. "Accessible" generally applies to hotels, group homes, etc. "Type A" applies to developments of 20 or more housing units. "Type B" (a.k.a. Adaptable) applies to multifamily developments of four to 20 units. However, the building code exempts detached one and two family dwellings from being required to be accessible.

Some designers/developers/builders will adhere only to the minimum code requirements for accessibility, even though they are free to go above and beyond code requirements. Some are not willing to consider universal design because it is not mentioned in the code even as an option.

HUD recommends that design, construction, and alteration of housing units incorporate the concept of "visitability," in addition to other requirements. Housing that is visitable has a basic level of accessibility that enables people with disabilities to visit friends, relatives, and neighbors in their homes. Visitability can be achieved, at a minimum, with the use of two simple design standards: (1) providing a 32-inch clear opening in all interior and bathroom doorways; and (2) providing at least one accessible means of egress/ingress for each unit. A focus group discussed incentivizing Type C (visitable) units through density bonuses and/or streamlining the approval process. However, visitable design may not accomplish its goal if, for example, the bathroom doorway is 32 inches wide but the space in the room itself is too small to maneuver. A focus group considered an incentive for visitable development, but for the aforesaid reason, prefers the more rigorous standard of "adaptable" (i.e. Type B units). Type B is also the lowest level of accessibility provided in the Michigan Building Code.

Housing accessibility is important and should be encouraged and incentivized where possible. There are currently several density and height bonuses in the Zoning Ordinance that can be granted in return for providing items such as a mix of affordable and market-rate units, upper-floor residential uses, ground-floor retail uses, urban open space, and a transit station. Similar bonuses should be provided for Type B (Adaptable) units. (HUD recommends Type C



[Visitable] units, and incentivizing them through density bonuses and/or streamlining the approval process was discussed; however, the more rigorous Type B [Adaptable] standard is preferred.)

Fair Housing is a complex subject and the laws can be difficult to understand. With new and proposed HUD regulations and guidance regarding fair housing (i.e. Affirmatively Furthering Fair Housing, harassment, disparate impact, assistance animals, etc.) as well as recent court decisions (include SCOTUS decision on disparate impact), there are many opportunities for ongoing education and outreach regarding fair housing rights and responsibilities.

## **SECTION VI. CURRENT PUBLIC AND PRIVATE FAIR HOUSING PROGRAMS AND ACTIVITIES**

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### **ASSESSMENT OF RECENT ACTIONS**

The following plans and activities support fair housing choice.

**“Fair Housing” Ordinance Change.** The City implemented its 1999 Fair Housing Task Force recommendations to strengthen the language of the local “Fair Housing” Ordinance. Section 9.363’s definition of *Source of Lawful Income* now includes Section 8 assistance and Sections 9.857 (1) and 9.588 were amended, shifting the City’s ordinance from criminal to civil, and establishing civil fines for first, second and subsequent offenses. These changes were intended to eliminate discrimination against people using housing vouchers for rental housing and to make enforcement of discrimination more efficient and effective.

**The Fair Housing Center of West Michigan.** The City of Grand Rapids supports fair housing education and enforcement activities through a contract with the FHCWM. Such contracts have been in force, at various levels, since the early 1980s. The 2015 agreement funded housing tests, investigation of complaints, and complaint processing in the GTA, as well as educational and outreach activities to the housing industry, community organizations, and the public at large. These activities are intended to reduce steering, segregation, and mortgage lending discrimination, among others. This is part of the City’s Fair Housing Strategy as outlined in the Consolidated Housing and Community Development Plan and the Annual Plan.

**Master Plan.** The City’s 2002 Master Plan emphasizes the importance of housing choice, noting that “Housing choice should be made available to people of different ages, ethnicity and income levels” and “Home ownership for all income, racial, ethnic and disability groups will increase in many neighborhoods.”<sup>50</sup> The Plan recommends making Grand Rapids a competitive housing location, providing a choice of neighborhood types each with expanded ranges of housing opportunities, encouraging continuous neighborhood reinvestment, and improving walkability.<sup>51</sup> The Plan also emphasizes mixed use neighborhoods and coordinating density with transportation.

**Zoning Ordinance.** The Zoning Ordinance is the regulatory device that implements the Master Plan. A total re-write of the outdated 1969 ordinance was completed in 2007. Fair housing and affordable housing are supported in a number of ways; specifically, the new Ordinance has made it easier for more dense rental development to be built outside the GTA, and provides a density bonus for mixed-income housing projects.

**Code Enforcement.** The City of Grand Rapids funds code enforcement programs that ensure a suitable living environment for Grand Rapids citizens regardless of income, neighborhood, race, ethnicity, or housing type (rental vs. ownership). The Community Development Department specifically funds code enforcement activities in the GTA, where many of the city’s low- and moderate-income residents live and where there are racial/ethnic concentrations.

**Affordable Housing Projects.** An increase in quality affordable housing choices for low- and moderate-income groups decreases their vulnerability to discriminatory practices. The City consistently funds affordable housing projects that produce affordable rental and homeownership opportunities for many residents in these income categories.

**Economic Development.** Increasing residents' economic opportunities can lead to greater housing options. The City's Economic Development Department works closely with businesses and nonprofit agencies to promote the attraction, retention, and growth of businesses within the city limits. The City's Community Development Department funds nonprofit agencies that provide economic development programs in the city, with special emphasis on low- and moderate-income areas. These City activities provide access to tax credits, networking, business skills development, and promote employment opportunities.

**Public Transportation.** In May 2011, citizens approved a property tax increase to improve public transportation services, including bus frequency and night and evening service, and a high-speed bus rapid transit (BRT) line. The BRT began operating in August 2014. Increased transportation options increase housing options by expanding connections between residential and job locations.

**Rental Property Owners Association of Kent County.** The RPOA is a nonprofit business association that addresses the needs of rental property owners in West Michigan through various programs, services, and benefits. Fair housing training is available to over 1,400 members.

**Lender Certification of Compliance.** The City of Grand Rapids enters into Memoranda of Understanding (MOU) with all lenders who participate in its Homebuyer Assistance Fund Program. These agreements are made at the corporate level, signed by an officer of the corporation, and notarized. Through these MOU, 15 area lenders have certified they comply with the Fair Housing Act, Executive Order 11063, Equal Credit Opportunity Act, Real Estate Settlement Procedures Act, and Home Mortgage Disclosure Act.

## **SECTION VII. IDENTIFICATION OF IMPEDIMENTS, CONCLUSIONS, AND RECOMMENDATIONS**

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Based upon the preceding research, six impediments are identified, along with strategies to address them. The City of Grand Rapids intends to implement the recommended actions according to the identified timeframe dependent on the availability of adequate financial resources. The City will provide oversight and monitoring of activities, primarily through contractual agreement with the FHCWM and partnerships with community organizations. Progress will be reported in the Consolidated Annual Performance and Evaluation Report.

### **PUBLIC SECTOR**

#### **1. Enforcement of the Local Fair Housing Ordinance**

**Conclusion:** The Housing Choice Voucher program is undermined on the basis of source of income, and even more limited enforcement options. Under Grand Rapids Code of Ordinances, Title IX, Chapter 160, Sec. 9.364, the City of Grand Rapids prohibits housing discrimination regardless of – among other things – source of lawful income or public assistance recipient status. The “source of income” language is intended to help people holding Section 8 rental vouchers obtain housing of their choice. Enforcement of this ordinance as it pertains to source of income protection is challenging and the City has been unable to successfully prosecute violations.

**Recommended Action:** Seek alternate means to enforce the existing ordinance or explore other legal means to prohibit discrimination based on source of income, including advocating for designation of source of income as a protected class at the State and Federal levels to create geographic consistency by June 30, 2021.

**Responsibility:** It is recommended the City of Grand Rapids take the lead in this matter, in coordination with the Fair Housing Center of West Michigan and other stakeholders.

### **PRIVATE SECTOR**

#### **2. Lack of Education and Awareness of Fair Housing Laws**

**Conclusion:** There is a lack of fair housing education and awareness in the community, especially in light of new and proposed HUD regulations and guidance regarding fair housing (i.e. AFFH, harassment, disparate impact, assistance animals, etc.) and recent court decisions (including the U.S. Supreme Court decision on disparate impact). There are many opportunities for ongoing education and outreach. Audiences include housing industry professionals, homeseekers, and the general public. Among professionals, the primary need is for ongoing training, particularly for larger investors, new or growing companies, and out-of-state businesses that do not know local laws. Homeseekers and the general public need to understand their rights and available recourse when they feel that their rights have been violated.

Realtor® public multiple listings and other real estate advertising are not regulated, and are not responsible for the information third parties post on their sites. In 2009, the FHCWM found over 90 discriminatory online advertisements, most of which were regarding familial status. Since then, the FHCWM has handled over 90 additional cases involving discriminatory advertisements, with just over 88% containing language that allegedly discriminates against families with children. Unlike print media, web site staff typically does not monitor the content of their ads for compliance with fair housing laws. Consequently, these venues are less likely to follow laws and guidelines for non-discriminatory language.

**Recommended Actions:** Given the variety of audiences who would benefit from increased education and awareness of fair housing laws, different educational approaches should be developed to provide the most favorable outcomes. By June 30, 2021, further develop and implement:

- 800 hours of developing, marketing, and conducting education and outreach to housing industry professionals (such as Realtors®, lenders, developers, investors), housing consumers, community organizations and elected and appointed officials to promote equal access to housing opportunities.
- The Fair Housing Center of West Michigan’s prototype “fair housing school” for on-line training. Topics would include, but not be limited to: discriminatory practices, enforcement options, and reasonable accommodations for people with disabilities.
- 2,500 simple-to-understand printed materials about fair housing annually for housing professionals, home sellers and buyers, and the general public for a total of 10,000.
- Using the City’s rental property registration program and/or other creative methods, identify at least 500 property owners and make them aware of fair housing training opportunities.
- Fair housing training for at least 100 property owners.
- A housing consumer’s alliance, to include education strategies and supports for renters, homeowners, homebuyers, landlords, and the general population. Work would focus on a range of issues including fair housing.

**Responsibility:** It is recommended the Fair Housing Center of West Michigan take the lead in implementing these recommendations, with the Grand Rapids Association of Realtors®, Rental Property Owners Association, and area lenders invited to participate. It is recommended that the City take the lead in developing a housing consumer’s alliance working with local stakeholders.

### 3. Language Barriers for Non-English Speaking Populations

**Conclusion:** Census data indicate over 10,500 Spanish-speaking residents do not speak English well or at all in Grand Rapids. Foreign-born Grand Rapids Public School students most frequently come from Mexico, Guatemala, the Dominican Republic, and other Spanish-speaking countries. In recent years, the district has had an influx of students from African countries such as Kenya, Somalia, and the Sudan. In the 2013-14 school year, 54 non-English languages were spoken by GRPS students, in most cases Spanish (88%). In addition, people with hearing

difficulties who use American Sign Language may not be fluent in spoken or written English and also face language barriers.

Non-English speaking populations in Grand Rapids may have difficulties when renting or buying a home. While interpreter services are available to a degree, they are not routinely used in the local real estate industry. Furthermore, even when family members attempt to interpret or translate they may not fully understand complicated rental or purchase information.

**Recommended Actions:** Interpretation and translation services should be expanded and/or targeted to real estate transactions where the renter or buyer is Non-English Speaking by June 30, 2021.

- Provide fair housing resource materials for homeseekers and housing providers in non-English languages, including Spanish.
- Further explore solutions to address language barriers with the real estate industry.

**Responsibility:** It is recommended the Fair Housing Center of West Michigan take the lead on translating materials into Spanish and other languages. Businesses in the real estate industry are encouraged to secure interpretation/translation services for their clients, perhaps through a partnership with an existing nonprofit organization. The City of Grand Rapids and the Fair Housing Center should work with the real estate industry to explore other solutions.

#### 4. Systemic Barriers to Fair Housing Choice

**Conclusion:** The lending industry is very complex, and good, current data is not readily available. National studies have found evidence of racial disparities in the residential lending industry, even when controlling for differences in credit score/debt load, borrower income, gender, property location, and loan amount, and they have also found gender disparities. Another national study did not find much evidence of traditional racism (i.e. a lender treats minorities differently than Whites) but, rather, minorities were doing business with different lenders than Whites.

Research also found racial disparities in Grand Rapids. However, it was impossible to attribute these disparities to either discrimination/steering or legitimate concerns because not enough information was available. However, consistent with national research, local research suggested that disparities were at least partially due to which lender borrowers used. Lenders on HUD's subprime lender list were doing business in predominately minority neighborhoods but not in predominately White neighborhoods. Lenders' marketing behavior plays a role in where applications are taken and from whom.

Institutional policies and practices, historic and ongoing patterns of racial segregation, and housing discrimination continue to limit equal housing opportunity. Often housing discrimination happens covertly and individuals are unable to recognize that their fair housing rights have been violated. This kind of discrimination includes racial steering in housing sales, mortgage redlining, discriminatory home appraisals and other unfair practices.

**Recommended Actions:** A strategy of outreach and education of local lenders, coupled with a follow-up program of testing and enforcement is recommended by June 30, 2021.

- Provide 800 hours of developing, marketing, and conducting education and outreach to housing industry professionals (such as Realtors®, lenders, developers, investors), housing consumers, community organizations and elected and appointed officials to promote equal access to housing opportunities (inclusive of activities under impediment #2). The education program targeting lenders should include information on the disparate treatment of minorities by the lending industry; government lending programs; nonprofit housing options; and other housing services in the community.
- Contract with a qualified organization to conduct an ongoing, systemic and thorough testing and enforcement program to identify and address discriminatory barriers to fair housing. Conduct 250 complaint- and non-complaint-based housing tests to determine compliance with fair housing laws in the areas of financing, sales, rental, insurance, and appraisal. Tests should be conducted according to standards that would make their findings admissible in court proceedings.

**Responsibility:** It is recommended the Fair Housing Center of West Michigan take the lead in education, enforcement and testing.

## **PUBLIC AND PRIVATE SECTOR**

### **5. Limited Supply of Accessible Housing**

**Conclusion:** An estimated 12% (22,291) of Grand Rapids' non-institutionalized residents identify as having a disability. As an age group, senior citizens have a higher proportion of people with disabilities than younger groups, and Kent County can expect to see its elderly population double over the next twenty years, supporting the need for more accessible housing for seniors. However, disability is not limited to elderly people. In Grand Rapids, by sheer number there are more people with disabilities ages 18 to 64 than in the disabled senior population, suggesting another market for accessible housing sized for families.

Unfortunately, the city has few accessible housing units. Most housing is old and needs to be modified to become accessible. Among landlords, terminology such as “reasonable accommodation” and “reasonable modification” can be poorly interpreted, leading to discrimination for people with disabilities or the aging population.

Grand Rapids also has few buildable lots left for single family construction. Housing development is seeing a slight shift away from single family and more multi-family developments are rising. This provides an opportunity to increase the supply of accessible units in the city's housing stock through requirements of the Michigan Building Code, as well as voluntary actions by developers to go above and beyond code by increasing the level of accessibility and/or the number of accessible units. Although the Michigan Building Code establishes *minimum* levels of accessibility that can be required, universal design is still the best solution in new construction because universal design elements are usable by all people to the greatest extent possible without the need for adaptation or specialized design.

**Recommended Actions:** Expand development of accessible housing through new construction and remodel by June 30, 2021.

- Support advocacy efforts at appropriate levels to encourage change to all building codes and standards to include universal design as an approved option.
- Explore adoption of Type B (Adaptable) standards for use in federally-funded housing development projects.
- Continue to encourage implementation of universal design standards for housing units built or substantially rehabilitated with federal housing funds. These standards make homes easier to live in now and allow aging in place.
- Continue to provide training in accessibility standards to City Design and Development Services staff.
- Continue to educate City Design Team members on the types of projects for which Disability Advocates of Kent County's (DAKC) Access Specialist referral is valuable.
- Refine the system to refer relevant early stage development projects, as appropriate, to DAKC's Access Specialist.
- Continue to make educational materials available to architects, builders, and developers regarding universal design during new construction and major rehab projects. Materials to be provided at the Development Center, the City's "one-stop shop" for plan review and permitting.

**Responsibility:** It is recommended the City's Community Development Department facilitate exploration of the Type B (Adaptable) policy in consultation with Disability Advocates of Kent County and other partners. It is further recommended the Community Development Department take the lead in encouraging implementation of universal design standards in federally-assisted projects. It is recommended Disability Advocates of Kent County facilitate training for City Design Team members, while the Development Center takes the lead to educate Design and Development staff. It is recommended the City Development Center work with Disability Advocates of Kent County to coordinate referrals, communication, and printed materials.

## 6. Funding for Fair Housing Activities

**Conclusion:** Discrimination and disparities in housing-related activities exist in the community and fair housing work is still needed. Routine testing and enforcement, combined with community outreach and education, are the foundation of fair housing. Without these tools, voluntary compliance is seriously hampered. However, funding for testing and enforcement, as well as periodic studies on special topics, is a persistent challenge for the community.

Michigan is just emerging from a decade of economic challenges. Declining tax revenues negatively impacted municipal corporations and volatility in the stock market reduced foundation resources. Between 2005 and 2015, federal CDBG allocations to the City of Grand Rapids were reduced 22%. Although the City's federal entitlement grants declined while community needs increased, the City tried to maintain funding levels for fair housing activities throughout these difficult times. To do so, the City shifted from using CDBG Administration to



CDBG Public Service funds, which restricted activities to the City's Community Development General Target Area.

**Recommended Actions:** Continue funding fair housing activities, and by June 30, 2021:

- Make available CDBG financial support for fair housing activities to the extent feasible.
- Identify and secure increased funding for fair housing work outside the General Target Area.
- Advocate for change to the CDBG regulations so funding for fair housing activities is not subject to funding caps.

**Responsibility:** It is the City's responsibility to continue affirmatively furthering fair housing. The Fair Housing Center of West Michigan, Disability Advocates of Kent County, and other nonprofit agencies should solicit funding for special topics, as determined necessary by the Fair Housing Center and others, from area foundations, private donors, and competitive federal grants.

## ***SECTION VIII. SIGNATURE PAGE***

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I certify that this Analysis of Impediments to Fair Housing Choice represents the City of Grand Rapids' conclusions about impediments to fair housing choice, as well as actions necessary to address any identified impediments.

On file

\_\_\_\_\_  
Gregory A. Sundstrom  
City Manager

\_\_\_\_\_  
Date

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